Austria	Sch24	Indonesia	Rp3700	Philippines	Pso40
Bahrain	Din0.750	Iran	Rls210	Portugal	Esc150
Belgium	BFr65	Israel	Shk3.50	Qatar	QR9.50
Cyprus	C£0.90	Italy	L2000	S.Arabia	SR7.00
Denmark	DKr12.00	Jordan	Fils1000	Singapore	S$4.10
Egypt	E£3.25	Kuwait	Fils.500	Spain	Pta165
Finland	FM9.50	Lebanon	L£800.00	Sweden	SKr13
France	FFr7.50	Lux	LFr55	Switz	SFr2.50
Germany	DM2.60	Malaysia	M$4.25	Thailand	Bht50
Greece	Dr180	Morocco	Dh6.00	Tunisia	Din0.800
Hong Kong	HK$12	Neth	Fl3.25	Turkey	L1400
Hungary	Ft107	Nigeria	Naira10	UAE	Dh7.00
Iceland	IKr180	Norway	NKr12.00		
India	Rs15	Oman	OR1		

EUROPE'S BUSINESS NEWSPAPER

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D 8523A

US-CANADA

Trade flourishes on the frontier

Page 4

World News

Iranian and EC officials agree to meet in Dublin

Senior officials of the European Community will meet their Iranian counterparts in Dublin next week for the first time in more than a year, as Tehran tries to improve links with the west.

In Lebanon, the pro-Iranian Hizbollah group said the remaining 15 western hostages would be not be freed "without a price." Page 26

China frees 211

China said it had released 211 people imprisoned during last year's democracy protests. They were warned of punishment if they continued to "do evil". Page 6

Walesa's shame

Lech Walesa, expressing shame for the government which his own Solidarity movement leads, told workers he backed their protest over conditions at the Gdansk shipyard where the trade union was born.

Lockerbie deal

Pan American airlines has reached an out-of-court settlement with 250 Scottish families whose relatives were killed or injured in the Lockerbie bombing, a Miami lawyer said. Details were not disclosed. Page 4

Jetliner's near miss

A British Dan-Air airliner came within 50 feet of colliding with two US military jets near Saarbrücken, West Germany. Several passengers were injured when the airliner nose-dived.

Mozambique battle

Mozambique rebel group Renamo said 3,600 Mozambican and Zimbabwean troops backed by fighters were attacking its headquarters. About 600 people had been killed.

Hospital strike fails

A crippling nine-day strike in South African hospitals ended when health unions agreed to return to work despite failing to win their main demand for more money.

Israel accuses US

Israel accused the US of collaborating with Arab states in a dispute about emigration of Soviet Jews to Israel. Page 6

Algerians march

Tens of thousands of Algerians shouting pro-democracy slogans marched through Algiers to defend reforms they said were threatened by Moslem fundamentalists. Page 6

Sicilian arrests

Five Sicilians, including the mayor of a town near Palermo, have been arrested on charges of Mafia association and extortion over building contracts, some of them connected to the World Cup soccer tournament.

French boycott

France said it would boycott next month's world conference on AIDS in San Francisco because of US restrictions on granting visas to victims of the disease.

Laughing it off

Finnish alcoholics are being helped to beat the bottle with doses of laughing gas. The treatment replaces medication which helped them to sleep off withdrawal symptoms.

Business Summary

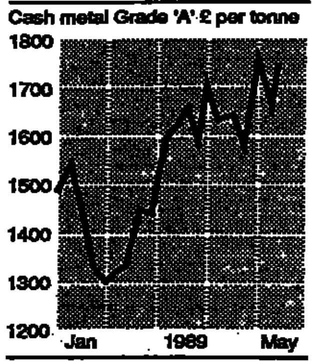
Bank backs Major on UK economic policy

High interest rates are succeeding in slowing down the UK economy, but inflation could remain close to 10 per cent, the Bank of England warned. It backed Mr John Major, the UK Chancellor of the Exchequer in his recent statements that 15 per cent base rates are reducing domestic demand. But it cautions that monetary policy must remain tight. Page 26 and Lex; World Economy, Page 8

COPPER prices continued this week's advance, although closing below the day's highs.

Copper

Cash metal Grade 'A' £ per tonne



Cash metal added £20 ($33.4) a tonne to close at £1,747. Commodities, Page 40

VOLVO, Swedish car and truck maker, plans to increase capacity of its car assembly plant in Ghent, Belgium by more than 30 per cent. Page 27

BASF, leading West German chemical group, reported a 6.6 per cent drop in pre-tax profits to DM845m ($500m) in the first quarter of this year. Page 27

MERRILL LYNCH, US securities company, is making a concerted effort to establish itself in the retail investors' market in Tokyo. Page 31

WIGGINS TEAPE Appleton, pulp and paper group, is expected to join the FT-SE Index when it demerges from BAT Industries with a likely value of £1bn ($1.67bn). Page 27; Lex, Page 26

AMERICAN Telephone & Telegraph, US telecommunications giant, has created in the UK its first overseas business venture to market computer systems. Page 10

JAPAN'S imports of Scotch whisky have risen by 33 per cent since an overhaul of the liquor tax structure. Page 4

GKN, UK automotive and engineering group, warned that profits would be hit this year. Page 27

NEWS CORPORATION chief, Rupert Murdoch, plans to float 40 per cent of the South China Morning Post on the Hong Kong stock exchange to yield HK$1bn ($130m). Page 30

AGIP, Italian state oil company, increased its net consolidated income by 68 per cent from L503bn to L846bn ($695m) in 1989. Page 28

INDIA'S average growth rate during last five years was 5.3 per cent, according to Planning Commission, in an otherwise critical report. Page 6

ITALY'S Senate passed a controversial law extending employment protection rights to workers in small businesses. Page 2

Kaifu promises sweeping political reforms

By **Robert Thomson** in Tokyo

MR Toshiki Kaifu, Japan's Prime Minister, yesterday committed himself to sweeping political reforms which are likely to meet strong opposition from within his own party.

Mr Kaifu, who told a televised news conference that his "existence" depended on the introduction of the reforms, appeared to be putting public pressure on factional leaders in the ruling Liberal Democratic Party for changes that could threaten their own power bases.

Mr Kaifu, originally perceived as a prime minister destined to have a short life at the top, has managed to extend his office by winning an election with surprising ease in February and by turning in strong performances in public opinion polls.

But by pressing for changes such as an overhaul of the present system of multi-seat constituencies and the introduction of a less expensive electoral system, less prone to corruption, he could undermine his own chances of re-selection late this year.

"Political reform is the mission of my cabinet", Mr Kaifu said. "In a word, public opinion demands plain and clean politics."

Japan's political system has been plagued by a succession of scandals, including the Recruit bribery scandal, and graft investigations into nine post-war prime ministers at some time during their careers.

If yesterday's promises of reform prove to be as empty as those of his predecessors, Mr Kaifu will undermine the public trust he apparently wants to restore in politics and politicians.

The Election System Council, an advisory body to the prime minister, released proposals late last month to reduce the number of seats nationally and to replace multi-seat constituencies with a combination of single seats and proportional representation for the House of Representatives, the more powerful house.

Opposition parties criticised the proposed reform, which they claim is an attempt by the LDP to perpetuate its power.

They demanded that the Government overhaul the political funding system which was at the centre of the Recruit scandal.

Wellcome pulls out of race to develop heart treatment

By **Tony Jackson** and **Daniel Green** in London and **Alan Friedman** in New York

WELLCOME, the UK drug company, has scrapped its worldwide development of TPA, the revolutionary treatment for heart attacks, leaving the field clear to Genentech, its US rival, now in the course of a $2.1bn merger with Roche Holding of Switzerland.

The two companies have been engaged in a lengthy legal dispute over TPA, with Wellcome challenging Genentech's exclusive rights on the grounds that TPA was a substance naturally occurring in the body.

In 1987 the British High Court overturned Genetech's patent on TPA. Last month, the US District Court in Delaware took the opposite view.

Wellcome's announcement – which came after the London stock market closed – is seen as an important concession over the patenting of biotechnology.

Yesterday Genentech reacted to Wellcome's decision by saying it expected the patent victory "to have a chilling effect on those who were imitating our original research."

However, Wellcome said it had also based its decision on recent medical trials in Italy suggesting that TPA, used for dissolving blood clots in heart attacks, was not markedly superior to streptokinase, an older and much cheaper treatment.

Genentech already sells TPA both in the US and in Continental Europe, while Wellcome has yet to bring its version to the market, having applied in March for permission to sell it in the US.

TPA is the first big-selling product made using relatively new manufacturing techniques based on biotechnology.

Wellcome said it was also cancelling development of a related blood clot treatment, NPA. However, it is to step up development of another biotechnolgy product, interferon, used to treat hepatitis B.

Pharmaceutical sector analysts in the City of London played down the importance of Wellcome's withdrawal from TPA development. They had already scaled back their forecasts of revenue from the drug to around $40m for the entire period to 1996 on the basis of Genentech's headstart.

Mr Robin Gilbert at James Capel said that the speed of the decision was the only surprise. "Only a year ago TPA was seen as Wellcome's most important drug in research." He suggested that the company did not relish further court battles.

Others in the City said that the legal wrangles might have been repeated in other countries.

Mr Ian Moore at UBS Phillips & Drew blamed the withdrawal on the Delaware court decision.

He said that the Wellcome product was effectively banned from the US, its biggest market.

Massachusetts Genetics Institute, the Massachusetts company that had been working on the drugs for Wellcome, said in Cambridge that it expected its 1990 revenues to be cut by up to $5m due to the Wellcome decision.

In 1989 Genetics Institute made a loss of $28.7m on revenues of $43.6m. The company's over-the-counter share price was marked $1 lower yesterday to $36.

Last year Genentech had $196m of revenues from TPA, or two third of the US market.

Mr Viren Mehta, a leading drug sector analyst, said he expects the clot dissolving heart treatment market to double to around $600m within three years, with Genentech's TPA achieving around $250m of annual sales and Eminase, a drug made by SmithKline Beecham and just being launched in the US, garnering another $250m of sales.

Brussels to probe world telephone cartel allegations

By **Tim Dickson** in Brussels and **Charles Leadbeater** in London

ALLEGATIONS that a worldwide telephone cartel is keeping the price of international calls artificially high are to be investigated by the European Commission.

A statement in Brussels yesterday confirmed that the Commission "is examining the arrangements governing international telephone charges, to see whether they are compatible with the competition rules of the Treaty of Rome."

Officials indicated that the inquiry might be a long one. But they pointed out that if evidence of collusion in pricing was established, the 12 postal and telecommunications administrations (PTTs) of the member states would be forced to change their ways.

The inquiry could have far-reaching implications for the PTTs which use the substantial profits they make from international services to subsidise loss-making residential and payphone services.

The EC's inquiry is significant because it could lead to a concerted move throughout the Community. It is difficult for an individual country to force down prices without reciprocal moves by foreign counterparts.

Commission officials have been concerned that artifically high telecommunications prices might inhibit the creation of European business and the expansion of cross-border trade, especially in services.

The EC's move parallels inquiries by Oftel, the telecommunications regulator in the UK, and the Federal Communications Commission in the US.

An EC official said the Commission was taking action on its own initiative but the inquiries had been launched after a wide-ranging investigation by the Financial Times, published last month. This revealed that telecommunications charges to customers round the world might fall by up to $10bn if prices reflected costs.

Sir Leon Brittan, EC Commissioner responsible for competition policy, said: "We have to ensure that consumers benefit from an international telephone charging system which allows genuine competition between the telephone operators. This is essential for European business and also for individuals."

The Commission's investigation will focus on agreements between the 160 members of the Geneva-based International Consultative Committee for Telephone and Telegraph administrations (CCITT). The Committee sets the complex accounting rates which determine how the revenues from international traffic are shared between operators at the two ends of an international call. The inquiry will examine whether these agreements between PTTs mean prices charged to consumers are fixed.

British Telecom welcomed the move but warned that fair competition would be possible only if the cross-subsidies between international and domestic calls were attacked directly.

British Telecom, the UK network, is to cut its 40,000 strong managerial and professional workforce by between 4,000 and 5,000 over the next 12 months as part of the most sweeping reorganisation of the company since it was privatised in 1984. Page 10

Moscow to annex Zeiss technology

By **David Goodhart** in Bonn

MOSCOW has told West Germany that it intends to remove the militarily sensitive parts of the East German high technology optics company Carl Zeiss Jena and re-establish them in the Soviet Union.

Such a move, echoing the post-war superpower dismemberment of Germany's strategic industries, would ensure that the Soviets do not lose key defence industry technology as a result of German unification.

It would mark the second time since the war that a part of Carl Zeiss, set up in Jena, now in East Germany, in 1846, has been transplanted. In June 1945, the US occupying forces took 127 senior Zeiss scientists to a new site in Oberkochen, West Germany, where a second, capitalist, Zeiss has grown and flourished.

With the help of technology smuggled into East Germany to avoid the Cocom restrictions on high-technology east bloc exports, Carl Zeiss Jena has led production of East Germany's megabit chips. The Soviets, however, are more likely to be interested in the company's optical electronics side, which is vital for guidance systems in missiles.

The West German authorities are sanguine about the Soviet intention. One senior official in the Bonn Foreign Ministry said: "If the Soviets take the sensitive parts of the company back home it will remove a potential embarrassment for us."

US Cocom officials have been worrying that with Cocom restrictions no longer controllable at the open inner-German border the East German defence technology sector could be upgraded with western technology and continue to supply the Soviet armed forces.

The potential embarrassment is exacerbated by the fact that West Germany has promised to honour all existing contracts between East Germany and the Soviet Union as part of the unification process.

Defence contracts were not specifically excluded from the pledge.

Continued on Page 26
Havel plea to Moscow, Page 2; Life and times of Philby the Red, Page 2; Soviet joint ventures delayed, Page 4

Channel tunnel chief denies any sacrifice of safety for progress

By **Andrew Taylor** and **Lisa Wood** in London

MR JACK LEMLEY, chief executive of Transmanche Link, the construction consortium building the Channel tunnel, yesterday denied that contractors were sacrificing safety to increase tunnelling progress.

Mr Lemley was speaking shortly before he was due to attend a meeting with Mr Michael Howard, UK Employment Secretary. The meeting was called after a sixth British worker in 16 months died on the project.

Mr William Cartman, 33, a grouter from Washington, Tyne and Wear, north-east England, was crushed by machinery on Monday as he was apparently checking a joint between tunnel lining segments.

Work on two of three tunnels being dug from the British coast towards France was halted following Mr Cartman's death.

Prohibition notices halting the work were imposed by the Health & Safety Executive, the government body responsible for overseeing safety at Britain's construction sites. Work will not be allowed to resume, the executive said yesterday, until specific safety improvements had been made to the digging.

Mr Howard stressed after yesterday's meeting the "gravity" with which he viewed recent deaths at the site. He asked the company to confirm that it would give priority to site safety.

The minister said prime responsibility for site safety rested with the Transmanche management which would be expected to implement safety recommendations as soon as possible.

Mr Lemley said Transmanche had been asked to control more tightly the access of workers to hazardous areas. New systems and modifications to machinery were being devised and he hoped the prohibition notice would be lifted very shortly, within days.

A separate prohibition notice was imposed after it was discovered that a "shut-down" mechanism on a conveyor belt system was not working properly. This had now been rectified, said Mr Lemley. He said it was distressing that another death had occurred. "I do not seek to make excuses. Where there have been failures these must be put right. We must redouble our efforts."

He said it was untrue that Transmanche had increased productivity by sacrificing safety. Rates of tunnelling had improved but workers were not being pushed too hard or safety requirements overlooked.

Damage caused to the project by delay would be limited because the contractors had already planned to carry out maintenance work, involving the shutdown of one of the tunnel boring machines. This would now go ahead, said Mr Lemley.

Opposition Labour Party MPs yesterday tabled a House of Commons motion calling for mandatory prison sentences for negligent employers when employees were killed or seriously injured at work.

Background, Page 8

Weekend FT

Why aren't the British police better at catching fraudsters

●

The assault on Disney's theme park supremacy

CONTENTS

Technology: Surface engineering - diamonds are a tool's best friend 13
Korean art: The Gompertz bequest at the Fitzwilliam, Cambridge, England 23
Editorial comment: Failure of leadership; Welcome move in Mexico 24
Environmental issues: Wave on wave of good intentions 24
Lombard: Farewell to snake oil 25
US budget: Bipartisan talks on reducing the deficit begin next week 26
Survey: Business Parks 15-19

Europe	2-3	Britain	8,10	Editorial Comment	24	Management	12
Companies	27,29	Companies	34-39	Financial Futures	46	Observer	24
America	4,6	Arts Guide, Reviews	22-23	Gold	40	Stock Marketsworld	49
Companies	27-28	Commercial Law	19	Intl. Capital Markets	31-32	-London	41
Overseas	6	Commodities	40	Letters	25	Technology	13
Companies	30	Crossword	48	Lex	26	Unit Trusts	44-47
World Trade	4	Currencies & money	48	Lombard	25	World Index	52

State polls could pose problems for Helmut Kohl

Jitters over German unification will not be far away when two key states vote on Sunday. Almost a rehearsal for December's general election the polls will provide a crucial test for Mr Kohl's Christian Democratic Union.

Page 3

MARKETS

STERLING
New York lunchtime:
$1.6783
London:
$1.6765 (1.6785)
DM2.7450 (2.7475)
FFr9.2575 (9.2600)
SFr2.3400 (2.3575)
Y263.25 (262.50)
£ Index (87.5)

GOLD
New York: Comex Jun
$371.9 (373.70)
London:
$371.50 (370.75)

N SEA OIL (Argus)
Brent 15-day
$17.35 (17.125)

Chief price changes yesterday: Page 27

DOLLAR
New York lunchtime:
DM1.6360
FFr5.5265
SFr1.3960
Y156.00
London:
DM1.6375 (1.6375)
FFr5.5225 (5.5175)
SFr1.3955 (1.4040)
Y156.95 (156.45)
$ Index (67.2)
Tokyo close: 156.75

US lunchtime rates
Fed Funds $8\frac{3}{16}$%
3-mo Treasury Bills:
yield: 7.96%
Long Bond:
$96\frac{5}{32}$
yield: 8.86%

STOCK INDICES
FT-SE 100:
2,157.0 (−5.7)
FT Ordinary:
1,690.8 (−4.8)
FT-A All-Share:
1,066.78 (−0.2%)
New York lunchtime:
DJ Ind. Av.
2,730.66 (−2.02)
S&P Comp
343.15 (+0.29)
Tokyo: Nikkei
30,980.26 (+34.65)

LONDON MONEY
3-month interbank:
$15\frac{7}{32}$-$15\frac{3}{16}$% ($15\frac{3}{16}$)
Liffe long gilt future:
Jun $80\frac{1}{2}$ ($80\frac{1}{16}$)

Hurd urges reports on EC rule enforcement

By Robert Mauthner, Diplomatic Correspondent

BRITAIN yesterday announced proposals designed to improve the national implementation of European Community decisions and to involve Community institutions more closely in the enforcement of EC rules.

Mr Douglas Hurd, the British Foreign Secretary, told the Scottish Institute of Directors last night that the initiative, contained in a letter he has sent to Mr Jacques Delors, the European Commission President, was in line with Britain's "commonsense approach" to the EC's development.

The Commission's practice of publishing six-monthly reports on the implementation of the Single Market programme should be extended to all areas of EC legislation.

"Six-monthly reviews in the transport, telecommunications, industry, agriculture, environment and economic and financial councils would significantly improve the effectiveness of Community decision-making," Mr Hurd said.

He had suggested to Mr Delors that, after completion of these reviews, the Commission president should make a report on overall progress at the end of each presidency so that the European Council (of heads of government) could judge how the Community was doing. Britain would like this system to begin operating with the Italian Presidency in July.

Mr Hurd said he had also written to the president of the European Parliament to inform him of the latest British initiative and to suggest that the Parliament might conduct regular debates on implementation of legislation in all sectors.

The Foreign Secretary made it clear that the British proposals were part of Britain's contribution to the European Political Union debate, launched at heads of government level in Dublin at the end of last month. The Foreign Office said it should be the seen as the first of several proposals which Britain would be tabling in time for the EC's June summit.

The life and times of Philby the Red, to the strains of Lily the Pink

ONLY two days after the stirring military parades of Victory Day, patriotic Soviet hearts will swell anew tonight as a television documentary paints a fond, indeed cloying, picture of the life of Kim Philby, writes our Moscow Correspondent.

The film about Moscow's spy in Britain, previewed yesterday by a group of mainly British journalists, mixes fresh nuggets about Philby's wartime exploits with tantalising hints about the Fifth Man, the one member of his spy ring who has not been detected.

"His identity remains unknown to our former adversaries... and I do not want to say anything that could be used as an excuse to hunt him down," declares KGB Col (rtd) Yuri Modin, in terms that suggested strongly that the Fifth Man was still alive and in the west.

Questioned after the film, the colonel was even more coy. He graciously declined to comment on the elusive spy's whereabouts or state of health, beyond saying that he (or she) is (or was) a "personal acquaintance" and "interesting person".

The film acknowledges help from Channel 4 and from the secret services of Britain, the US and France. While it includes long interviews with such western *eminences grises* as Lord Dacre and former CIA director William Colby, there is little sign of any assistance from serving intelligence officers.

The film purports to show that Philby – notorious in Britain for having warned of a western assault on Communist Albania – never betrayed anybody.

But Col Modin, pressed afterwards on this point, acknowledged that come to think of it, some western-backed "terrorists" sent to Lithuania after the war had been apprehended with Philby's help.

The film includes what it describes as newly declassified information – still secret in Britain – about Philby's tipoffs to Moscow on the secret flight to Britain of Rudolf Hess in May 1940.

The film's potentially effective combination of grainy monochrome snapshots and films with live interviews was somewhat marred by heavy-handed use of background music: not only Sinatra's *My Way* but massed military bands playing the unmistakeable strains of *Lily the Pink*.

CZECHOSLOVAK PRESIDENT SUPPORTS MITTERRAND'S EUROPEAN CONFEDERATION IDEA

Havel plea to Moscow on sovereignty

By Leslie Colitt in Strasbourg

PRESIDENT Vaclav Havel of Czechoslovakia yesterday appealed to the Soviet leadership to grant political sovereignty to "all the nations" of the Soviet Union in order to avoid a violent confrontation.

He made his plea in a speech enthusiastically welcomed by parliamentarians of the Council of Europe in Strasbourg.

While carefully avoiding directly naming the three Baltic Republics, Mr Havel left no doubt that he was referring to Estonia, Latvia and Lithuania, which are seeking independence from Soviet rule. He has in the past proposed himself as a mediator in the dispute between Lithuania and Moscow.

"The time is not too distant when some (Soviet) republics will become completely independent and others will establish a new type of community, whether confederative or of a looser type," he said.

His remarks were given added weight by Mr Markus Meckel, the new East German Foreign Minister, who told the Council earlier in the day that his country would do its utmost to see that the Soviet Union became a "calculable, constructive member of the European family of states."

Mr Havel said that the present Soviet leadership undoubtedly understood the artificiality of the present Soviet state "inherited from Czarist and later Stalinist hegemony."

But he also repeated his warning to the west to drop its traditional fear of the Soviet Union.

"One cannot endlessly terrorise each other with the spectre of hawks who will overthrow Mr Gorbachev and return the Soviet Union to the 1950s," he said.

He suggested such fears were being raised to provide the military industry with orders. His view is that the Soviet reforms are irreversible, whether or not Mr Gorbachev survives as President.

There was no reason why some or all of the constituent parts of the present Soviet Union could not also be members of a European confederation and of "some eventual post-Soviet confederation", he said.

Children surround Havel in Strasbourg yesterday

Elaborating on his earlier proposals for a European security arrangement, Mr Havel presented a timetable for creating the foundations of a "new and unified" Helsinki security system by the end of next year. European states would no longer have to fear each other because they would be part of the same system of mutual guarantees.

Within five years an Organisation of European States could be established and by the year 2000 the construction of the European Confederation proposed by President François Mitterrand of France could begin, he said.

At the end of the process the "last American soldier" could leave a Europe which would no longer fear Soviet military strength and the unpredictability of Moscow's policies.

● Mr Mitterrand yesterday proposed founding a secretariat which would begin work on the confederation of east and west European countries, Reuter reports from Paris.

He first suggested the confederation in a new year message. Yesterday he told a conference of students: "There must be a pact between countries that have democratic institutions. Why not a flexible structure, more flexible than the EC, where one could discuss economic and cultural questions, start talks on security and where everyone would be equal?"

He added: "We should work around a permanent flexible secretariat that would represent all European nations, prepare joint briefs, inform all parties on the progress needed and on the problems."

Italy extends job protection rights

By John Wyles in Rome

THE ITALIAN Senate yesterday passed a controversial law extending employment protection rights to workers in small businesses, which critics say will weaken one of the most dynamic sectors of the economy.

The law will remove the fear of instant sacking from around 8m workers hitherto unprotected. In future, companies with up to 16 employees must have "just cause" for a dismissal which they may have to defend before a magistrate. Loss of an appeal could require them either to reinstate the employee or to pay between two and six months' salary in compensation.

The law will also introduce procedures for employers with between 16 and 60 employees requiring them to reinstate workers and to pay up to 15 months' salary as compensation for wrongful dismissal.

Associations representing small businesses were close to outrage yesterday. They said the law would kill many small businesses by removing their flexibility to adjust their workforces according to business conditions and by destroying working relationships which depend on intimacy and mutual trust.

Mr Francesco Colucci, Confcommercio president, said last night the new law would have many negative effects, including discouraging employment in the small business sector.

Union leaders, for their part, welcomed the new regulations as "balanced" and as a necessary extension of civil rights.

Passage of the legislation highlights the effectiveness of proposing a referendum as a vehicle for securing rapid legislative change in Italy. Democrazia Proletaria, the extreme-left party which can count on barely 2 per cent of the national vote, succeeded in gathering enough signatures to organise a referendum on June 3 to strike down existing regulations which exempt small businesses from the required dismissals procedures.

The main political parties intensely dislike referenda, not least because they tend to accentuate divisions within the governing coalition. As a result, parliament usually hurries to pass a law which achieves the same ends.

Vassiliou in EC entry talks

PRESIDENT George Vassiliou left yesterday for discussions in Brussels on Cyprus's desire to join the European Community, Reuter reports from Nicosia. He will meet Mr Jacques Delors, the Commission president, to discuss relations between Cyprus and the EC and efforts to reunite the divided island.

Diplomats said Cyprus planned to apply for EC membership this year. It signed an association agreement in 1972 and entered into a customs union in 1987 under which tariff and quota barriers are to be abolished within 15 years.

Mr Vassiliou will visit northern Greece later today and will have talks with Greek officials in Athens on Sunday.

The official Cypriot News Agency said he also planned to visit China later this year.

NEWS IN BRIEF

US asked to reconsider CFC fund

THIRD WORLD countries yesterday appealed to the US to drop its opposition to the establishment of a special fund to help them eliminate their use of ozone-depleting chlorofluorocarbons (CFCs), writes William Dullforce in Geneva.

India said that without the financial mechanism, countries which had not signed the Montreal Protocol on the reduction of CFCs (like itself and China) would be unable to join, rendering efforts to save the ozone layer fruitless.

The US decision, to oppose the plan to provide some $100m to enable developing countries to switch to the production of harmless substitute chemicals, was announced on Wednesday.

Croatia vote

The political cohesion of Yugoslavia and the Communist Party's dominance throughout the country is looking even more fragile with the results of the first free elections for more than 40 years in the republic of Croatia, writes Judy Dempsey.

The Communists ceded control of the local parliament to the right-wing Croatian Democratic Union, which, after two rounds of voting, won at least 193 of the 366 seats. The Communists won 81 seats; the smaller parties and independent candidates shared 39.

The CDU, led by Mr Franjo Tudjman, a 68-year-old retired general, vowed, in a nationalist-inspired election campaign, to unite with Croatia those areas outside the republic which are inhabited by Croats.

Monnet money

A total of 220 university teaching initiatives are to receive financial support from Brussels under the Jean Monnet project for "European integration in university studies", writes Tim Dickson in Brussels. Some Ecu846,000 (£626,886) has been allocated to subsidise 46 "European chairs", 96 permanent courses, 52 European "modules" and 26 research aids. The EC is committed to spend Ecu1.672m but has yet to identify remaining recipients.

EUROPEAN NEWS

Greece tries to repair its image in eyes of EC

By Kerin Hope in Athens and David Buchan in Brussels

GREECE'S NEW Conservative Government is trying to shake off the country's image as the least co-operative member of the European Community through livelier participation in EC activities and closer co-ordination on rescuing the deficit-plagued Greek economy.

Mr Efthymios Christodoulou, the Deputy Foreign Minister for EC affairs, said in an interview yesterday: "We have had a problem of credibility in the past, but now the political will is there; our objective is to be much more active in the Community."

He said that a visit to Athens earlier this week by Mr Henning Christopherson, the Commissioner for macro-economic affairs, "was a friendly invitation" by Greece to review the new Government's efforts to reduce a current account deficit of $1.98bn for the first three months of the year and a public sector borrowing requirement totalling 19.4 per cent of gross domestic product.

Greece was sharply criticised in March by Mr Jacques Delors, the Commission president, for failing to reduce the PSBR to 10 per cent under the terms of a 1985 balance of payments loan of Ecu1.75bn (£1.29bn) from the Community.

Commission officials had also complained that Greece was providing inadequate information on economic developments.

Mr Christopherson called the Conservatives' new measures to boost revenues (an increase in VAT and utilities prices, as well as a tax surcharge) a move in the right direction, but said that more steps must be taken.

He said "strong front-loaded measures with rapid implementation are needed to create confidence in the markets and to pave the way for the drachma to enter into the European Monetary System."

The Government is preparing an incentives package to be announced later this month, but has not yet taken any decisions on broadening the tax base and reforming the heavily indebted state pension system.

Mr Christodoulou ruled out the possibility that Greece would seek another emergency loan from the Community. The Government intended to make "the most effective possible use" of Ecu6.6bn in structural aid promised over the next four years, he said.

Mr Bruce Millan, EC Commissioner for regional funds, is due to visit Athens at the end of the month to discuss how Greece can make better use of the money.

UN help likely for Albania

By Laura Silber in Tirana

MR PEREZ DE CUELLAR, the UN Secretary General, arrives in Tirana today on a trip which is likely to confirm Albania's gradual move out of nearly three decades of isolation.

He will hold talks with President Ramiz Alia, leader of the ruling Albanian Labour Party, east Europe's last Communist party to monopolise power.

Mr Perez de Cuellar is expected to discuss how Tirana can develop closer relations with the UN. This includes setting up a UN Development Agency office in the capital, a move which confirms recent reports in the Albanian media about the need to tackle serious economic shortcomings after a year of food shortages and disappointing industrial and agricultural productivity figures.

Albania shied away from active participation in the UN during the four-decade leadership of Mr Enver Hoxha, a staunch Stalinist who strengthened political and cultural independence at the expense of its economic development.

Economic difficulties have also prompted a reappraisal of the need to import technology coupled with introducing measures to improve the efficiency of the economy.

Under Mr Hoxha, all foreign credits were banned. But earlier this week, Mr Manush Myftiu, the Deputy Prime Minister confirmed that this taboo had been lifted.

State polls could pose problems for Kohl

Regional voters might get cold feet over costs of German unity, writes **David Marsh**

WHEN West Germany's two large northern states, North Rhine-Westphalia and Lower Saxony, go to the polls on Sunday, jitters over German unification will not be far away.

The elections will decide the make-up of state governments in two Länder which are home to nearly 40 per cent of West Germany's population.

Almost a dress rehearsal for December's general election, the twin polls will provide a crucial test for Chancellor Helmut Kohl's Christian Democratic Union (CDU).

The elections could change the voting arithmetic in the Bundesrat, the upper house of parliament grouping Länder representatives. If CDU-held Lower Saxony swings to the Social Democrats (SPD), Mr Kohl's conservatives will lose their one-vote majority in the Bundesrat – and the Chancellor could run into serious problems with the Länder over financing the costs of unity.

The electoral tussles will decide the fate of some better-known faces on the German political scene.

Mr Norbert Blüm, Mr Kohl's tubby Employment Minister, standing for the CDU in North Rhine-Westphalia, faces the apparently hopeless task of displacing 24 years of Social Democratic control.

Mr Johannes Rau, the Social Democratic premier, hoping to repeat his absolute majority in the last Länd elections in 1985, is profiting from the economic upswing across West Germany's most populous and industrialised state.

Mr Rau, 59, the SPD's unsuccessful candidate for the Chancellorship in the 1987 general elections, has the air of a relaxed but oddly diffident North Rhine-Westphalian patriarch.

Despite a narrowing in the economic gap with the southern German states, North Rhine-Westphalian unemployment remains well above the national average. Mr Rau admits that concerns about housing and jobs are the main election issue.

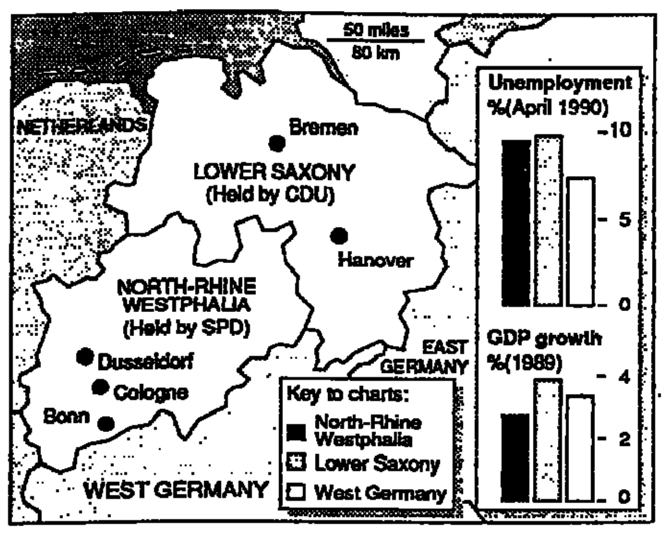
The campaign has been overshadowed by the attack on Mr Oskar Lafontaine, the SPD candidate for December's general election, who was nearly killed by a deranged knife-woman while speaking at a rally with Mr Rau late last month.

Ambulances and muzzled police dogs at Mr Rau's sunlit forays into small town squares testify to stepped-up security.

Mr Rau says he has been "disappointed" by some of the more aggressive features of Mr Blüm's unashamedly populist campaign.

Mr Blüm has attacked Mr Rau's administration over law and order, and has tried to enliven his campaign with garish leaflets spelling out his sporting prowess and his fondness for cats. Mr Rau however says that, on Sunday night, Mr Blüm will be heading back to the Bonn government's "sin bin" with his tail between his legs.

The North Rhine-Westphalia premier plays down the theme



of reunification in his election speeches, saying he wants to concentrate on state issues. But he is concerned that Bonn's plans for the Länder to provide one-third of the funding for unity, could deprive his state of annual sums of DM5bn to DM6bn in the next few years.

At a meeting between Mr Kohl and Länd prime ministers on May 16, Mr Rau will be doing his best to torpedo the government's plans. He believes that he will find substantial support from CDU-ruled states.

One of these will be Mr Ernst Albrecht, the long-serving Christian Democrat Prime Minister of Lower Saxony – provided he still has a job. Despite a series of scandals in recent years, Mr Albrecht, 59, is the narrow favourite against his SPD contender, Mr Gerhard Schröder. But a win for the Social Democrats – which would give the SPD a formidable 27 to 18 majority in the Bundesrat – cannot be ruled out.

In view of Lower Saxony's long border with East Germany, reunification is playing much more of a direct role in this state's campaign than in neighbouring North Rhine-Westphalia.

Mr Albrecht stresses that Lower Saxony, for long a geographical backwater, is now at the centre of a Europe moving to democracy.

Mr Albrecht's well-polished smile fades when he talks about the risks of German unification. "There is a lot of worry that aid will be diverted away from West Germany towards the East."

Lower Saxony receives more than DM1.5bn a year in government support for border regions. But, once the border disappears, so too will the money.

Mr Albrecht says that electors are concerned about the stability of the D-Mark. And, apparently not quite believing Mr Kohl's protestations that taxes will not be raised, Mr Albrecht adds that many ordinary people are anxious that they will be digging into their own pockets to finance unity.

Mr Albrecht pulled off a coup in March by announcing that Ms Rita Sussmuth, the popular Bundestag president, will eventually succeed him as state premier if the CDU wins on Sunday. Mr Schröder, a tanned lawyer with charm but no charisma, denounced this as a trick.

Mr Schröder, who readily confesses that he never believed in German reunification, has focused his campaign on people's fears of the consequences. Claiming that "the millionaires will benefit, and the millions will pay," he says, "I want the burdens of unity to be evenly spread."

He does not believe Mr Kohl's repeated message ruling out tax increases. "The more he says that, the less credible he is." If Mr Kohl loses his Bundesrat majority on Sunday, the new Länder power structure may force the Chancellor to eat his words.

Rocard: unscathed

French Socialists show they still have whip hand in parliament

By George Graham and William Dawkins in Paris

THE FRENCH Government was thanking its lucky stars yesterday after narrowly avoiding defeat in a parliamentary censure motion over its failure to clamp down on politicians accused of financial corruption.

The censure motion failed to reach the necessary majority of 289 out of 577 MPs thanks largely to the Communist Party's last-minute decision to abstain. This is the fourth time the Communists have played the main part in saving the minority Socialist administration from defeat in a censure debate in the two years since it returned to power.

Although the popularity of President François Mitterrand is at one of its lowest ebbs, the vote shows that the Government still holds the whip hand in parliament. Mr Michel Rocard, the Prime Minister, made a vague promise to consider a Communist proposal to forbid future amnesties of people charged with financial wrongdoing. Otherwise, the Government remains free to pursue its centre-left policies unchanged.

The Communists kept up the suspense to the very last moment, but in the end they calculated that they could not afford to break the Socialists and risk provoking a general election in which they would almost certainly suffer serious defeat. According to a recent poll, the Communist share of the vote would fall to a mere 8 per cent.

Mr Rocard emerges apparently undamaged. Only 262 MPs eventually supported the vote, which means that the Communists were not the only ones to abstain. Even if the 26 Communists had turned against the Government, the Socialists would have survived by a whisker. A handful of independent MPs and one Gaullist refused to support the motion.

When Mr Rocard took office two years ago yesterday, many predicted that he would not last the course until the next parliamentary elections in 1993. Although he lacks an outright majority, Mr Rocard has steered his policies through parliament by astute diplomacy and by playing off the centre-right against the left. He has also made regular use of Article 49 (3) of the constitution, which allows him to force through legislation without a vote, unless the opposition can muster enough support for a censure motion.

If the Communists were to vote for such a motion, this seemed the ideal chance. Ever since they left the coalition Government with the Socialists in 1984, France's Communists have fought their former partners' policies tooth and nail. Recently, they have opposed plans to open up the capital of Renault, the state car-maker, and to give more autonomy to the post and telecommunications authorities.

Yet the party has shown itself to be out of touch with public opinion and even with its own members, as the ideas which it has espoused for years have crumbled in eastern Europe.

The French Communists now look as if they have muffed their last chance to torpedo the Socialist Government.

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AMERICAN NEWS

Nato avoids clash over European base for new US missiles

By David White, in Kananaskis, Alberta

NATO has postponed a potential clash over the basing of new US air-launched nuclear missiles in Germany and other allied countries.

Both US and West German officials said the question had been "hardly discussed" at a meeting of defence ministers in Nato's Nuclear Planning Group.

This is despite the fact that the planned Tactical Air-To-Surface Missile (TASM) is set to be the mainstay of Nato tactical forces remaining in Europe.

Bonn has given clear signals that the issue – linked to plans to reduce or eliminate other European-based US nuclear weapons – is taboo, at least while the "two plus four" talks on German unity are in progress.

Mr Tom King, UK Defence Secretary, held separate talks with Mr Dick Cheney of the US on the basing of US Air Force F-15E aircraft equipped with the new missiles in Britain. But he said no decisions had been taken.

The ministers from 13 of Nato's 16 countries unanimously welcomed President George Bush's initiative to drop disputed plans for modernising short-range missiles and shells and to bring forward negotiations with the Soviet Union on short-range nuclear arms.

But the ministers failed to resolve disagreements about policy for achieving nuclear reductions.

These centred on whether Nato should seek to retain a residual force of ground-based nuclear weapons, as the UK wants, and whether nuclear artillery shells should be withdrawn by Nato unilaterally or included in negotiations.

Mr Gerhard Stoltenberg, the West German Defence Minister, said that the aim of negotiations should be the abandonment of all US and Soviet land-based systems in Europe.

Mr Stoltenberg also said it was "imaginable" that Nato should give up nuclear artillery unilaterally because of the difficulty of verifying an arms reduction agreement in this area. The artillery involved is "dual use", capable of firing either nuclear-tipped or conventional munition.

Other countries backed this option. But the UK said it opposed unilateral withdrawals and denied there was a consensus on the issue.

Greenspan urges reform of US banking system's safety net

By Peter Riddell, US Editor in Washington

REFORM of the safety net for the US banking system, including federal deposit insurance, is increasingly needed, Mr Alan Greenspan, the chairman of the Federal Reserve, urged yesterday.

He was speaking at a conference in Chicago as a debate intensifies within the Administration, among regulators such as the Fed and in Congress, over possible changes in banking regulation, and in particular deposit insurance. Detailed proposals are unlikely to be brought forward until next year at the earliest.

Mr Greenspan argued that the safety net – deposit insurance, the Fed discount window and similar services offering liquidity – provided "more macro stability," but misplaced risk and distorted market signals, allowing US banks to operate with considerably less capital than free market models would imply. He argued that these concerns needed to be balanced by the desirability of allowing banking groups to engage in a larger number of activities.

He warned that wider bank holding company powers and more limited firewalls between different activities might require a wider safety net on stability grounds, leading to the possibility of increasingly distorted market signals and excessive risk taking.

Consequently, ways to limit the costs of the safety net needed to be considered.

Bustling Toronto learns to take the strain

Bernard Simon finds Canada's commercial capital catching its breath after rapid growth

Canada's biggest city badly needs the breather it is now taking after eight years of unrestrained growth. The spurt of the 1980s has strained Toronto's reputation as one of North America's best-run and most livable-in cities.

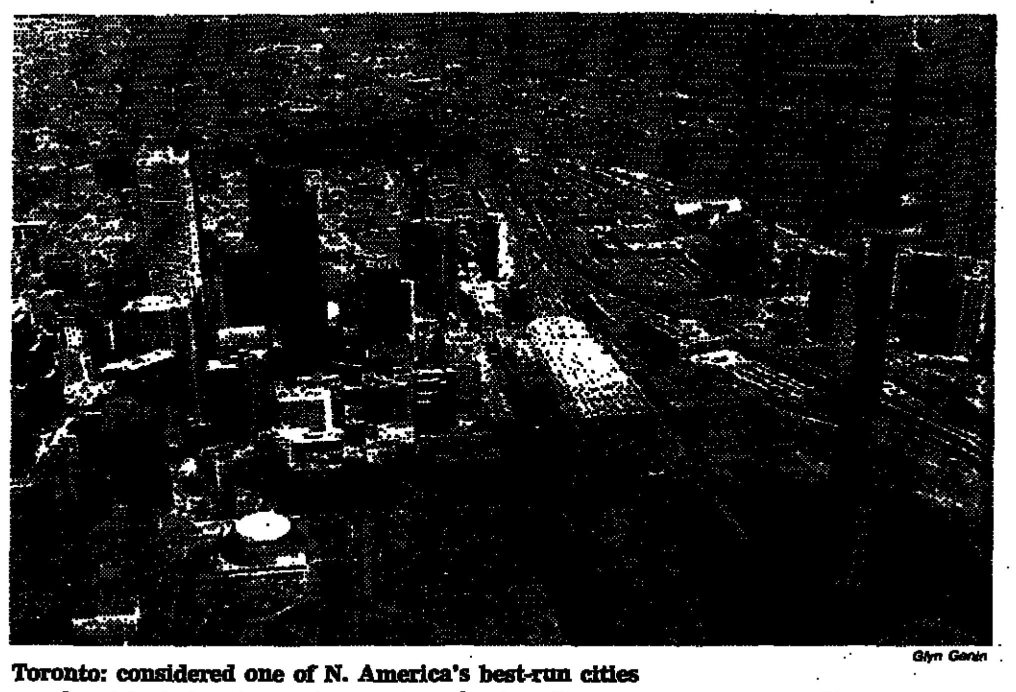
A 25 per cent jump in the city's commuter population since 1982 has far outstripped improvements to public transport and roads. It has also added to the pressure on housing and office space. By last year, the average price of a house had soared to C$280,000, while prime office space was renting for as much as C$50 a square foot.

Enormous pressures for new housing and commercial space have all too often allowed property developers to gain the upper hand over city planners. Drugs, gang violence and homelessness have all become more evident.

Nonetheless, Toronto remains one of the few big North American cities where it's still safe to walk alone at night, where a car is not a necessity and where tens of thousands of people live decently – many of them very decently – in and around the downtown core.

Its polyglot population, from starchy Anglo-Canadians to vibrant Jamaicans and industrious Chinese, gets along remarkably well.

The economic downturn which has become apparent since mid-1988 will help planners make up at least some lost ground. The city's population is now flattening out for the first time in eight years, and supply of both housing and office space has caught up with – if not overtaken – demand.



Glyn Genin

Toronto: considered one of N. America's best-run cities

Toronto owes some of its success to accidents of history and geography. Canada's strong social security net has contained the number of homeless people on the streets and helped avoid sprawling ghettoes of urban poverty.

The city has drawn a stream of skilled and entrepreneurial migrants, ranging from thousands of Montrealers who moved during the separatist crisis of the 1970s, to large Italian, Polish and Vietnamese communities.

It has also benefited enormously by displacing Montreal as Canada's financial services capital.

The city fathers deserve some if the credit too. Some key decisions over the past 40 years have made the main business district more accessible and vibrant than most US cities, while creating a more balanced mix of neighbourhoods in the suburbs.

Setting up high-density suburban hubs was made easier by an efficient public transport system, described by the director of planning and development Mr Peter Tomlinson, as "a countervailing force to the automobile."

Toronto claims that 99 per cent of its 3.5 million residents live within a seven-minute walk of a bus, tram or subway. The city has tried to keep the downtown area alive by promoting residential development, mostly in the form of mixed-use projects. About 150,000 people now live in and around the inner city.

The growth of the downtown population has left a few scars. Some of the newest residential units are ugly high-rise apartment buildings on reclaimed land overlooking Lake Ontario, which was originally earmarked for parkland and tourist facilities.

The Crown corporation which oversees the harbourfront area overcame a cash crisis in the early 1980s by giving developers virtually a free hand in putting up new buildings. Further development has been frozen for the time being.

If Toronto succeeds in its bid for the 1996 Olympics, the athletes' village will be built on disused railway marshalling yards under the shadow of the CN Tower, and later turned into about 7,000 housing units. Development of the site will go ahead even if the Olympics bid fails, but at a slower pace.

One of the biggest challenges for Toronto's planners is to find a way of expanding the business district southward towards the lakefront.

Although the two are within a few hundred yards of each other, they are separated by railway lines, a trestle of expressways and an unsightly wasteland of parking lots and dilapidated buildings.

A start has been made by building a light rail track to the harbourfront and a perspex pedestrian walkway (with its own fresh air supply) next to a road tunnel under the main railway station.

One bold proposal has suggested that the highways which bisect the area should be replaced by a tunnel under Lake Ontario. The tunnel could be at least partially financed by selling development rights on parcels of land which become available once the existing highway is demolished.

Nicaraguan economy faces critical test period

By Tim Coone in Managua

AN UNORTHODOX economic stabilisation programme being implemented by Nicaragua's new Government faces a critical two months as doubts mount over the first grain harvest of the year and the uncertain political situation.

Dr Francisco Mayorga, the president of the central bank, said that the Government's economic adjustment plan aimed at halting inflation, depended on a successful first harvest and a rapid expansion of cotton plantings to boost foreign exchange earnings. "If we lose May and June we will lose the year," he said.

However, farmers have been jolted by a jump in interest rates and by a 60 per cent devaluation of the Cordoba currency in the past two weeks, measures which Dr Mayorga said were necessary "to compensate for a doubling of the money supply in the last two months of the Sandinista government."

Plantings of basic grains and cotton are not proceeding as as expected.

Dr Mayorga said that his economic adjustment plan is designed to increase supply rather than squeeze demand, by putting idle land and under-utilised factory capacity into production especially in the agro-industrial sector.

He said the Nicaraguan economy was functioning at only 65 per cent capacity and that he aimed to return output levels to the peak reached in 1977, two years before the Sandinista revolution.

Three important factors, however, might upset the entire plan. Maintaining real wage levels would only be possible, he said, "if external aid arrives."

Peace on the labour front was also essential for the success of the plan. "It is a prerequisite," said Dr Mayorga.

A wave of strikes and wage demands in recent weeks by Sandinista-controlled trade unions, and threats by pro-government unions to join in the free-for-all as prices have shot up, are sending further inflationary signals to the market and putting pressure on the currency.

Mexico monthly inflation at 1.5%

Richard Johns in Mexico City

MEXICO'S official consumer price index rose by 1.5 per cent in April bringing the increase for the first four months of 1990 to 10.8 per cent compared with the official budgetary projection for the year of 15.3 per cent.

More encouragement came at the weekly auction of Treasury bills, the rate for 28-day Cetes – which fell by no less than 6.1 per cent to 36.5 per cent, the lowest level since last July when they plummeted in the wake of the accord with commercial bank creditors.

The latest drop is attributed to the general euphoria following last week's decision by President Carlos Salinas de Gortari's administration to privatise the state's majority shareholdings in Mexico's 18 commercial banks.

The fall in rates for Cetes, the predominant money market instrument, is the eighth in consecutive weeks since the end-March finalisation of the agreement with the international creditors which will give an average saving in debt servicing obligations of over $4bn, according to official estimates.

In this period they have been reduced by a total of 10.7 per cent and in the process considerably eased the cost of servicing the Government's domestic public debt

The consensus of business organisations and economists is that the increase in the Counsmer Price Index for 1990 as a whole will be in the range of 22-24 per cent.

Families from Lockerbie reach Pan-Am settlement

GROUND victims of the terrorist bombing of Pan Am's Flight 103 over Lockerbie, Scotland, have reached a settlement with the airline, an attorney for the victims said yesterday, AP reports from Miami.

The aircraft crashed into the quiet Scottish town on December 21 1988, killing 11 people on the ground, injuring dozens of others and destroying and damaging many homes. All 259 passengers and crew aboard the aircraft were killed.

About 250 Lockerbie families filed claims in Dade Circuit Court because two Pan Am subsidiaries were headquartered here. "It was negotiated over a period of time, and it just culminated this week," said Mr Aaron Podhurst, who represents the Lockerbie Air Disaster Committee. He said under the agreement he was prevented from releasing any details.

WORLD TRADE NEWS

Ministers aim for pact on Gatt disputes mechanism

By William Dullforce in Geneva

THE FOUR major trading blocs – the European Community, the US, Japan and Canada – will try to thrash out the details of a better international system for settling trade disputes at consultations in Washington in the week beginning May 21.

The meeting of senior negotiators from the Uruguay Round trade talks was decided on at informal "quad" talks in Silverado, California, on May 3 and 4, at which the four trade ministers came closer to an understanding on the main elements of an improved dispute settlement mechanism for the General Agreement on Tariffs and Trade.

Reinforcing Gatt's ability to handle trade disputes is widely regarded as an essential element in enhancing the authority of the world trade organisation and safeguarding the credibility of the multilateral trading system. The EC, Japan and Canada also see it as an important factor in persuading the US to stop taking unilateral action against its trading partners under Section 301 of its trade act.

Some improvements to the Gatt mechanism were introduced at world trade ministers' mid-term review of the Uruguay Round in 1988. These help to speed the process.

In Silverado, the four trade ministers discussed the shape of a mechanism that would provide for automatic approval by the Gatt council of the findings of disputes panels, subject to an appeals procedure. Currently, approval is sometimes delayed for months by the refusal of the faulted country to subscribe to a consensus within the council.

There was general understanding among the four that the mechanism should contain clearer rules on compensation for the country whose trade had been damaged, and on the right to retaliate, if the offender did not implement the Gatt finding within a given time limit.

None of the four ruled out "cross retaliation" under which a country hurt by illegal trade action in the services sector would be able to retaliate against the guilty country's trade in goods or vice versa. This concept is fiercely opposed by developing countries, but the EC and Canada at least see it as essential, if the US is to be persuaded to drop unilateral trade action.

The "quad" ministers also discussed in Silverado how to inject some urgency into the talks on tariff cuts and the dismantling of non-tariff trade barriers in the Round. So far only 34 offers to reduce tariffs have been tabled. India and Brazil are among those still to submit lists. The big four are insisting that, in contrast with earlier Gatt rounds, developing countries must this time make substantial, bound tariff cuts. By "binding," governments guarantee they will not raise tariffs again.

In spite of some differences in ministers' public statements after their meeting, negotiators in Geneva report that the four also came closer to an understanding on safeguards – the temporary protectionist measures governments are allowed to take against sudden surges in imports, where the EC has been holding out for the right to take selective action against individual exporters instead of applying Gatt's non-discrimination principle.

- The US and the EC will work throughout May to forge a common position on textile trade, one of the largest obstacles to agreement in the current Uruguay Round, according to Mr Renato Ruggiero, the Italian Trade Minister, Nancy Dunne reports from Washington

Mr Ruggiero, in Washington this week to prepare for Italy's assumption of the presidency of EC Council of Ministers, said the two sides had agreed to reach a common view in the hope of avoiding a crisis in the talks later.

Trade flourishes on US-Canada frontier

Currency fluctuations now favour the big American retailers, writes **Bernard Simon**

THE SPRAWLING Walden Galleria shopping mall could be on either side of the Great Lakes.

Both the US and Canadian flags fly outside its main entrance. Most of the cars in the parking lot come from New York state, the Canadian province of Ontario and Pennsylvania. Inside the mall, the fashion boutiques, accept either Canadian or US currency.

The 1.5m sq ft Galleria, which opened a year ago in suburban Buffalo, New York, is one of a string of malls along the US-Canada border which are cashing in on a flood of Canadians crossing over to do their shopping in the US. The Galleria's owner, Pyramid Management Companies of Syracuse, New York, estimates that between 20 and 40 per cent of its weekend traffic comes from Canada.

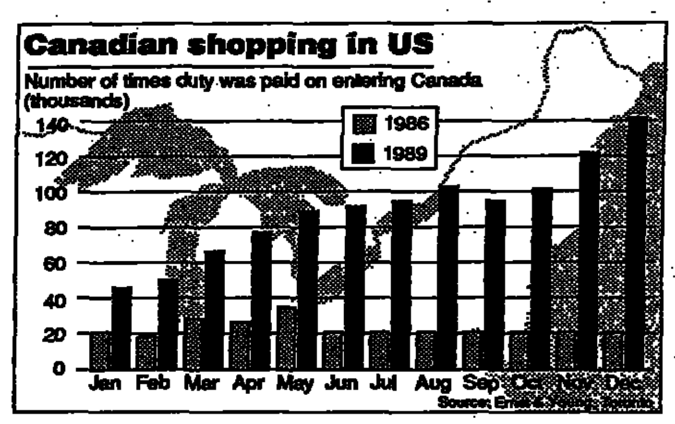
The US malls price clothing, linen, electrical equipment and liquor anywhere between 10 and 40 per cent lower than in Canada. Taxes account for some of the difference, but the shopping safaris have really taken off since the Canadian dollar began strengthening against the US currency two years ago. The Canadian dollar now stands at just under 86 US cents, up from 77 cents in January 1988.

Like the US-Canada free trade agreement (FTA) which came into force last year, the cross-border shopping spree is blurring the border between the world's two biggest trading partners, encouraging both companies and consumers to base their decisions on market forces rather than political frontiers.

Under the FTA, tariffs on all North American-made products will be eliminated by 1998. But a Canadian customs official points out that duties on many of the purchases being made by Canadian shoppers – Japanese VCRs, for example – are not affected by the trade agreement.

The duties that currently still apply, especially on clothing, should bring US and Canadian prices roughly into balance. But many returning visitors choose to declare none or only part of their purchases. One car load of shoppers who offered to pay duty at the Niagara Falls crossing last weekend was waved through by a harried customs official. Many Canadians turn their shopping expeditions into a full weekend outing, allowing them to claim a duty-free allowance of C$100 per person.

For the time being, the FTA's most potent impact on the shopping traffic is probably psychological. It has created at least the impression among Canadians and Americans that taking goods across the border is less of a hassle than it used to be. And it has greatly increased the presence in US border cities of Canadian businesses and expatriates.



Several dozen Canadian companies, for instance, have set up operations in Buffalo in the past two years, contributing to a vigorous revival of what used to be one of the north-east US's most blighted urban areas. The shopping phenomenon has been a boon to US developers and retailers.

Mr Tim Ahern, Pyramid's chief executive, says that each Canadian shopper spends more time and about twice as much money as Americans in the company's three border malls. Pyramid has arranged French courses for counter assistants at its mall in Plattsburgh, New York, south of Montreal.

Benderson Development uses 1,500 charter buses a year to bring shoppers from as far away as Ottawa and Montreal to its Niagara mall. It aims to attract 5,000 bus loads a year to the new 1.4m sq ft. mega-mall in Niagara Falls, which is due to open in spring 1992. The Americans expect that Ottawa's new 7 per cent consumption tax, to be introduced next January, will give Canadians yet another reason to shop in the US.

But what is meat to the Americans is turning out to be poison for Canadian retailers. The evidence is clearly visible in the empty shops which dot the central business district of Windsor, Ontario, across the river from Detroit.

Windsor was a magnet for US shoppers four years ago when the Canadian dollar dropped as low as 69 US cents. All that business has now been lost, as well as much of the local custom. Tenants of Windsor's biggest mall put on a three-day Great Canadian Dollar Event last month, offering a 15 per cent discount (roughly the gap between the US and Canadian currencies) on all purchases.

The Retail Council of Canada expects to complete a study within the next few weeks totting up the damage which cross-border shopping is doing to Canadian business.

The council's recommendations to the government are likely to include, even in this era of free trade, stricter customs surveillance and tougher penalties for shoppers caught cheating.

The biggest godsend to Canadian merchants however, would be a weaker Canadian dollar. In this respect, their wish is likely to be granted later this year when the high interest rates which have supported the dollar are widely expected to start coming down.

Soviet joint ventures delayed

By David Goodhart in Bonn

THE NUMBER of official joint ventures in the Soviet Union has now reached 1,476 of which 60 per cent involve investment of less than Rbs1m transferable (£1m), according to Soviet officials attending a two day Deutsche Bank seminar on West German-Soviet joint ventures in Frankfurt.

West Germany has the largest single share of the joint ventures with 16 per cent.

According to Mr Axel Lebahn, a senior Deutsche Bank Soviet expert, the atmosphere at the seminar showed a marked deterioration on a similar gathering last December.

West German businessmen complained that much of the fundamental legal framework for joint ventures was still not in place including an investment protection law and legislation allowing for the re-investment of rouble profits. One German businessman said that it was not even possible to open a rouble bank account.

Another representative said the Soviet Union was spending very little money on environmental technology which, if anything, appeared to have been downgraded.

An executive of Salamander, the W German shoe manufacturer, which has a model joint venture producing about 4m pairs of boots a year with 4,000 employees, also said that there were still enormous problems with the quality and reliability of suppliers, but concluded that the business was still worthwhile.

Mr Eberhard Seitz, of Consortex, the Hamburg-based textile technology company, said the Soviet Union still had a serious shortage of people qualified to administer joint ventures.

It emerged at the seminar that the idea of a special economic zone around Kaliningrad, known as Koenigsberg when still part of Germany, has, at least temporarily, been abandoned. One Soviet official said the Germans had put forward no concrete proposals.

However a Deutsche Bank official said that the idea had been rejected by the military who feared that the Kaliningrad region could once again be taken over by Germans.

The official said: "This defensiveness is unjustifiable. The once disputed area of Alsace (in eastern France) now has one of the highest concentrations of German inward investment in the world and nobody complains."

Japan's imports of Scotch rise by a third

By Robert Thomson in Tokyo

JAPAN'S imports of Scotch whisky have risen by 33 per cent since an overhaul of the liquor tax structure a year ago, but tax and tariff barriers continue to restrain sales, executives of the Scotch Whisky Association said yesterday.

Colonel H.F.O. Bewsher, the association's director-general, said the tax reforms in April last year had improved sales and produced favourable changes in "the way Japan is viewed by its overseas trading partners."

However he expressed concern at Japanese criticism of the sole agent system, which a series of government-sponsored studies have blamed for high prices in Japan, and he condemned parallel importers for their pursuit of profit.

The association said sales by volume rose 33 per cent in the past year, but did not give value figures, while imports in 1988 totalled 2.83m cases. Parallel imports, estimated to comprise about 30 per cent of total imports, have produced discounting on many brands in the past year.

Association officials are also concerned by Japanese-made products "marketed or advertised as Scotch whisky-like products," and has written to Nikka Whisky about the marketing of one of its brands, All Malt.

Colonel Bewsher said: "We have been surprised and disappointed at press criticism of the sole agent arrangements. The parallel importer rides on the back of the sole distributor. He is not interested in the brand. He is solely interested in the financial return."

In meetings with officials of the Finance Ministry and Fair Trade commission, which is conducting a studying on the price effects of sole agent agreements, association officials have argued for a further reform of tax rates on spirits and a cut in import duties.

"Japanese import duties on Scotch whisky are typically six times the tariffs imposed in Europe and 10 times the tariffs imposed in the US. This is a situation which must be corrected before any of us can say Japan's market is truly open," Colonel Bewsher said.

- Mr Nicholas Ridley, the UK Secretary of State for Trade and Industry, yesterday urged South Korea to end discriminatory taxes and tariffs against imports of Scotch whisky, John Ridding reports from Seoul.

Speaking at the end of a four-day visit to South Korea, he also called for protection of intellectual property rights and for improved access to funds for foreign banks operating in Korea.

He said "we complain bitterly" about the discriminatory treatment of Scotch whisky and that "we are tired of this long running trade dispute."

Mr Ridley said that the issue was not one of protectionism but one of unfair treatment of Scotch vis à vis other imported liquor. Under the present tax system, Scotch is subject to an import tax of 50 per cent and a liquor tax of 200 per cent. Cognac, by comparison is subject to 30 per cent and 150 per cent respectively.

Mr Tony Greener, managing director of Guinness, the UK distilling and brewery group, said the level of taxes and duties meant that Scotch whisky was between three and five times more expensive in Korea than anywhere else and that the retail price of Scotch in South Korea was 12 times higher than the landing cost.

This encouraged black market trade and estimated that resulting lost revenues amounted to between $30m and $40m per annum.

HK airport and port contracts

By John Elliott in Hong Kong

TWO MAJOR consultancy contracts connected with Hong Kong's HK$127bn (£9.8bn) airport and port infrastructure projects are being awarded to a joint venture comprising Greiner of the US and British-based Maunsell Consultants Asia, and to the Kleinwort Benson banking group of the UK.

Greiner and Maunsell have this week received a HK$100m 16-month contract to draw up a master plan for the HK$35bn airport, which is to be built by 1997 on partially reclaimed land, and to carry out civil engineering design work for the reclamation.

Kleinwort Benson is now finalising details of a contract to advise the Government on financial aspects of a HK$18bn rail link and fixed road crossing to Lantau island where the airport is to be located.

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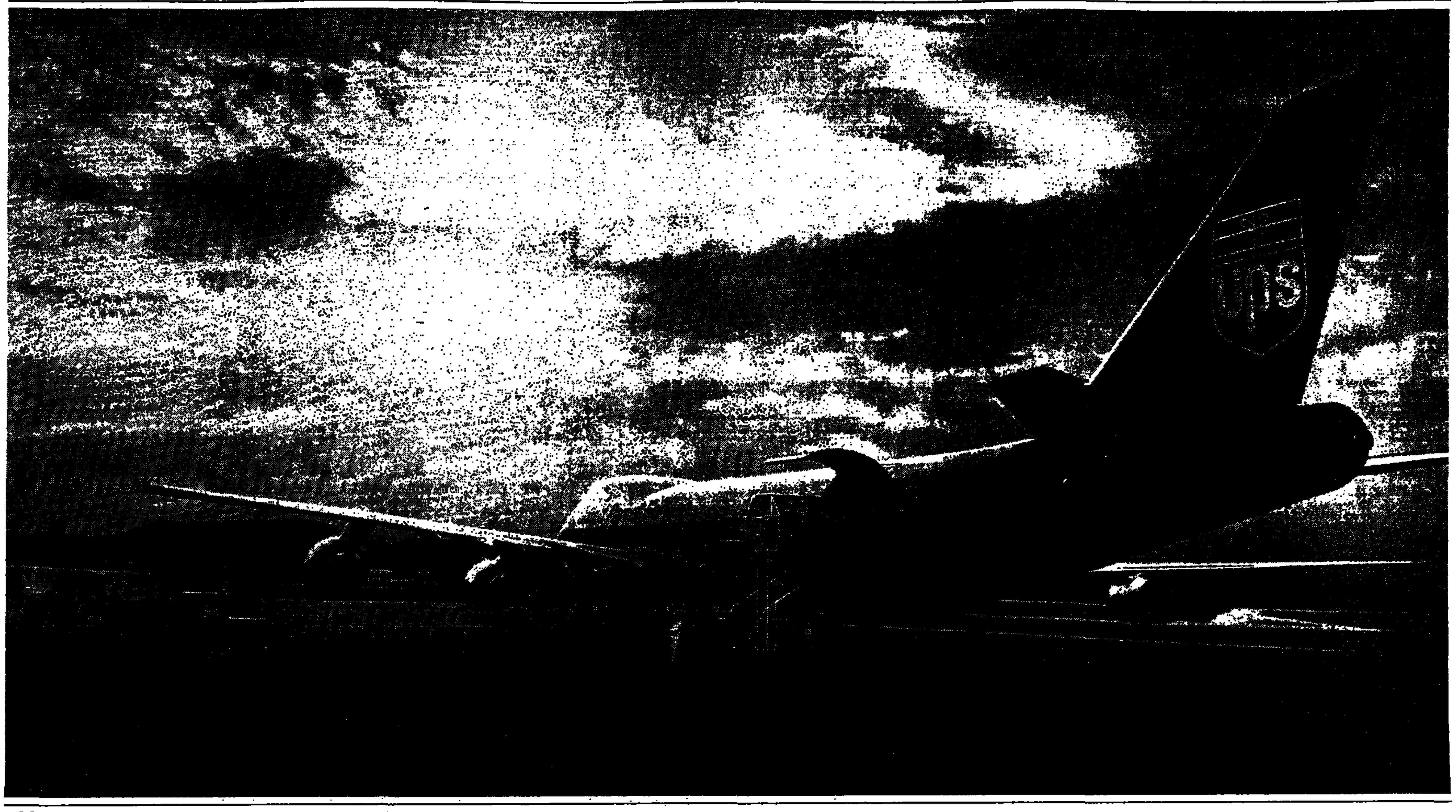

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AMERICAN NEWS

Elderly 'caudillos' seek new ideas in quest for power

Canute James reports on the campaign for the presidency of the Dominican Republic

IN THE colourful musical roadshows which are common to the campaign for the Dominican Republic's presidential election next Wednesday, the main subjects of the electorate's attention are restrained, aloof even.

It is not surprising that the leading contenders, President Joaquin Balaguer and Mr Juan Bosch, find the hectic pace of the revelry more than a bit too much. In this contest of octogenarian *caudillos*, it is the younger Mr Bosch, aged 80, who is being favoured by the electorate.

Public opinion polls have put him ahead of the incumbent Mr Balaguer, who is 83. Yet, for obvious reasons, neither Mr Balaguer's Reformist Social Christian Party, nor Mr Bosch's Dominican Liberation Party, have used the age issue in the campaign.

And Mr Bosch's aides refer only briefly, and diplomatically, to the president's blindness, and wonder whether there is not a danger of him being led astray by the functionaries who must read to him all documents.

But for most Dominicans, the age of the two appears hardly to matter. And neither is likely to gain any political points from the fact that they are among the country's best-selling writers – Mr Balaguer, a poet and novelist, and Mr Bosch, a novelist and essayist.

There is more attention on what either can do to help the country out of its economic quagmire, and how the poor, who make up a majority of the country's 7m people, can deal with the deterioration of their living standards over the past decade.

Mr Bosch, a Marxist in the throes of reform, is, like Mr Balaguer, an implacable conservative. He is hoping for his first full term, having been thrown out by the military after only seven months in the presidential palace in 1963. Mr Balaguer is seeking his sixth, non-consecutive term.

The latest polls give Mr Bosch 36 per cent of the voters' support, against 26 per cent for Mr Balaguer. This suggests that most Dominicans have been unimpressed by the results of the main pillar of the president's policies. Throughout the Dominican Republic there are signs of the president's belief in public works.

The country seems to be in a continuing state of repair. Cranes, concrete and construction gangs are everywhere. Roads, bridges, airports, houses for the poor and recreational parks are being built.

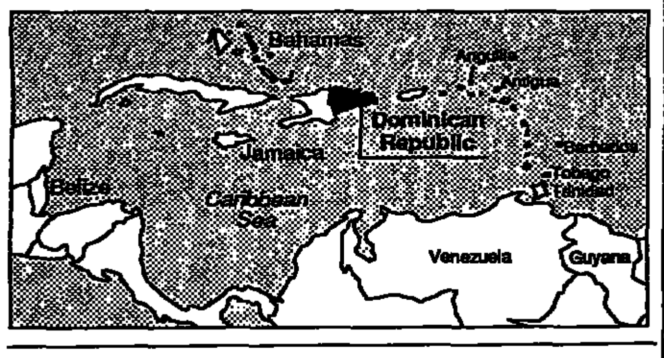
In its campaign, the president's party points frequently to the value of the public works – about $1.5bn over the past four years – and the hundreds of thousands of jobs which have been created. Yet it is this very programme, the other parties argue, which has been at the root of the country's economic problems.

The heavy spending on public works has done extensive damage to the country's finances, the opposition claims. Mr Bosch has promised that, if elected, he will pay more attention to the main sectors of the economy. "The only way to develop the Dominican economy is through capitalism," he recently told businessmen.

Such statements have brought support for Mr Bosch from those who had been wary of his socialist position.

The prospects of victory by either Mr Balaguer or Mr Bosch could be affected by growing support for Mr José Francisco Pena Gomez of the social democrat Dominican Revolutionary Party. Mr Pena Gomez, aged 53, has 15 per cent of the electorate's support, according to the polls.

In any political alliance, Mr Pena Gomez would clearly eschew Mr Balaguer in favour of the more ideologically compatible Mr Bosch. The next president, however, will face an unenviable task in dealing with the economy. Although there was a 3.8 per cent real growth rate in gross domestic product last year, the central bank reported inflation at 45.3 per cent, a figure which some local economists consider to be grossly understated.



Test for Fujimori as Peruvian electorate looks for some answers

By Sally Bowen in Lima

ALBERTO Fujimori, the man who came from nowhere to challenge writer Mario Vargas Llosa for the Peruvian presidency, is under growing pressure to detail his policies for government in the event of his winning the run off to the presidential elections.

A month after the April 8 election, the surprise runner-up remains behind closed doors attempting to cobble together a team and a programme.

With final results of the poll still unratified, there could be as little as a couple of percentage points separating the two. Mr Vargas Llosa saw a commanding lead erode by an unprecedented 17 per cent or so in the final fortnight before polling, to the chagrin of American publicity agency Sawyer Miller and his big-business backers.

His little-known challenger, son of Japanese immigrants, enjoyed an equally spectacular surge in support, capturing the vacant centre ground with a low-cost, low-key campaign backed by evangelists and small businessmen. Each of the political newcomers seems to have won around 30 per cent of the popular vote. Although the date for the second round has yet to be set, it is likely next month. After the feverish first-round activity, Mr Vargas Llosa withdrew for a fortnight to rethink his strategy, emerging recently to visit Lima's shanty towns.

Fujimori: Avoiding specifics

He has pledged not to alter the Front's stated policy, which includes the promise of a full-frontal attack on Peru's crippling inflation, currently running just below 40 per cent a month. He aims to cut that to an annual 10 per cent within a year, he says.

But Mr Vargas Llosa now recognises the necessity for transforming his previously "cold, rather dehumanised" message into something more palatable to Peru's poor and marginalised, who voted massively against him and for Mr Fujimori's gentler approach.

Simultaneously, Democratic Front strategy will exploit Mr Fujimori's lack of either a team or a programme and try to capitalise on the alleged links between "Change 90", Mr Fujimori's party, and President Alan Garcia's ruling, largely discredited, American Popular Revolutionary Alliance (Apra).

Mr Fujimori has so far cunningly avoided the specific. In general terms, he promises to attack inflation, but "without social cost". Eliminating the official exchange rate and raising petrol prices would help close the gaping fiscal deficit. But businesses under a Fujimori Government would not have to face immediate lowering of protectionist tariff barriers. Nor would Mr Fujimori privatise all state concerns, as Mr Vargas Llosa intends.

Mr Fujimori talks encouragingly of an agriculture and mining-led economic reactivation and protection for the poorest third of Peru's 22m people.

The 10 year-old terrorist war which has already cost some 17,000 lives will be solved indirectly through the raising of living standards for the people of the emergency zones.

OVERSEAS NEWS

Chinese democracy protesters released

By Our Foreign Staff

CHINA yesterday said it had released 211 people, including several prominent dissidents, who had been jailed for joining democracy protests in Peking last June.

These include Dai Qing, a journalist with the Guangming Daily, a leading intellectual paper, and Cao Siyuan, a former senior adviser to Zhao Ziyang, the party leader dismissed last June.

Cao was also a director of the Stone corporation's social development research institute. Stone, Peking's leading computer company, lost several top figures who fled abroad after the military crackdown last year.

Other dissidents released included prominent intellectuals who supported Zhao such as Yang Baikui, formerly chief of the research section of the Academy of Social Sciences' Institute of Political Science, and Li Nanyou, former editor of the World Knowledge publishing house.

These releases appear timed to coincide with the debate in Washington over whether China should be allowed to retain its most-favoured-nation status in trade with the US. If the anti-MFN lobby in Washington carries the day, Peking, now in serious economic trouble and facing big repayments on earlier loans, would face cuts it can ill afford in its exports to the US because of higher tariff barriers.

China has been heavily criticised by the west for the brutal crackdown and for infringing human rights by imprisoning people for political reasons without trial. The US and western Europe imposed sanctions last year which included a freeze on government lending, military sales and high-level exchanges, and these have been followed by Japan.

Last January the Chinese Public Security Ministry announced the release of 573 prisoners involved in the demonstrations, and yesterday the New China News Agency said 431 people were still being dealt with. Some were under judicial investigation. It also indicated that the released prisoners would be kept under surveillance by the security services.

The main leader of the student movement, Wang Dan, from Peking University, is believed to be still in prison, though others, including Wuer Kaixi and Chai Ling, have fled abroad.

Taiwanese Premier and cabinet resign

TAIWAN PREMIER Lee Huan and his cabinet resigned yesterday. President Lee Teng-hui will appoint his chief military backer as Prime Minister in what analysts see as a dangerous political gamble. Reuter reports from Taiwan.

Lee Huan, whose rocky year as premier has been marked by sharp disputes with the president, will be replaced by current defence minister and long-time army boss Hau Pei-tsun. As Taiwan's longest-serving chief of general staff, Hau provided the military muscle behind late presidents Chiang Kai-shek and Chiang Ching-kuo. Students and the opposition have labelled him a potential military strongman and a threat to Taiwan's emerging democracy.

Israel says US is backing Arabs on migrants

By Hugh Carnegy in Jerusalem

RELATIONS between the US and Israel took a further turn for the worse yesterday as Israel accused Washington of collaborating with Arab states in a dispute about the emigration of Soviet Jews to Israel.

Mr Moshe Arens, the Israeli Foreign Minister, publicly acknowledged that Israel's all-important relations with the US were "going through a period of tension".

He was speaking after making an unusually sharp protest on Wednesday night to Mr William Brown, the US Ambassador in Israel, against what Israel said was co-operation between the US and Arab nations on a draft UN Security Council resolution dealing with immigration to Israel by thousands of Soviet Jews.

Israeli officials acknowledged that the resolution had not been finalised. But they were furious that the US – which customarily vetoes Arab UN resolutions hostile to Israel – had been involved in the drafting process of a motion they said had become part of an Arab effort to halt Soviet Jews settling in Israel. Mr Arens clearly feared the US intended to allow the resolution to pass.

The row is the latest twist in a downward spiral that US-Israel relations have taken since Mr Yitzhak Shamir, the Prime Minister, was left in charge of a caretaker Government of his hardline Likud party. The Labour party broke up a coalition government over Likud's refusal to accept US terms for peace talks with the Palestinians.

There was no immediate comment from Washington. US officials are annoyed by Israel's reluctance to take take part in the peace process, but they are playing down the dispute over the UN resolution.

Apart from the peace talks issue, the chief complaint of the Bush administration has been moves by Mr Shamir's Government to push ahead with Jewish settlement of occupied Arab lands. In particular, the US is concerned to prevent the settlement of Soviet immigrants not just in the West Bank and Gaza Strip, but also in Arab areas of Jerusalem annexed by Israel.

With Mr Shamir seeking to form a new Government based on extreme right-wing support, many of his opponents fear that relations with Washington, which provides a vital grant injection of $3bn a year to Israel, will only get worse.

Significantly, these concerns were apparently spelt out to Mr Shamir this week during an unscheduled visit by the two top leaders of the influential Conference of Presidents of Major American Jewish Organisations. The two were said to have told the premier that the recent Government-backed settlement by Jews in the Christian Quarter of Jerusalem's Old City and the political bartering over a new government had seriously damaged Israel's image in the US.

Arab leaders will go ahead with an emergency summit in Baghdad later this month in spite of the bitter opposition to the venue of Syria's President Hafez al-Assad, writes Tony Walker in Cairo.

Mr Tariq Aziz, Iraq's Foreign Minister, told Arab ambassadors in Baghdad yesterday that the summit would be held on May 28.

Mr Yassir Arafat, the Palestine Liberation Organisation Chairman, had asked Arab heads to debate what he regards as the serious threat posed to a settlement of the Palestine issue by the influx of Soviet Jews to Israel.

He fears tens of thousands of such emigrés will be settled in East Jerusalem, the West Bank and the Gaza Strip, foreclosing any possibility of a resolution of the Arab-Israel dispute for generations.

The emergency Arab summit is also certain to express strong support for President Saddam Hussein.

Report faults Indian economic growth

By K.K. Sharma in New Delhi

INDIA'S average growth rate during the last five years was 5.3 per cent but there were "many areas of concern discernible in the emerging patterns of development", according to the Planning Commission's annual report published yesterday.

The Commission qualifies the achievement of the high rate of growth during the Seventh Five-Year Plan period, 1985-90, when Mr Rajiv Gandhi was Prime Minister, saying this was mainly in the services sector.

"There has been a progressive reduction in the share of primary and secondary sectors in the GDP, thereby widening the agriculture-non-agriculture disparities in terms of output and incomes per head," the report pointed out.

Another shortcoming noted in the report is that "inter-regional disparities and disparities between different social groups – such as rural and urban, wage labourers and property owners, workers in organised and unorganised sectors, men and women – have been accentuated."

The adverse comments made in the report obviously aim at drawing attention to faults in the performance of the Gandhi government in the past five years. It acknowledges that the high growth rate recorded was well above the 3.5 per cent achieved in the previous three decades, but highlights the distortions which, in the commission's opinion, have crept into the economy.

Among other shortcomings, the report says "the level of unemployment has shown a tendency to worsen and there has been a decline of employment in traditional crafts and industry. Organised industry has failed to provide additional employment commensurate with investment."

It says the "average rate of growth of agricultural production has been modest and concentrated in certain parts of the country". The report also notes that industrial production, which has been the main contributor to growth in the five-year period, has now become "somewhat sluggish" and was only 4.4 per cent in April-October 1989.

The new commission is now working on a paper that will spell out the change in the approach to the development strategy in the Eighth Five-Year Plan period (1990-95).

The report says the new approach will attempt to correct the distortions, by focusing on such objectives of the new Government as strengthening the federal structure, decentralising authority, developing the rural sector, stressing women's role in economic activity, and creating jobs.

Rajiv Gandhi on a 12-hour fast yesterday

A soldier came knocking at the old man's door

By David Housego in Srinagar

IN A hospital room in downtown Srinagar, an old man yesterday recounted how he narrowly escaped death in one of those incidents that helps explain the bitterness that has developed against the Indian security forces attempting to regain control from Kashmiri separatists.

Mr Ghulam Mohammed, 70, is a retired director of statistics in the state government and thus a respected figure in the local community. On Wednesday, he heard firing in the streets close to his house in the Lal Chowk district. With his wife, he took shelter upstairs on the first floor of his house, which adjoins a mosque.

Then came the noise of the smashing of glass and wood as his window and front door were broken in. Footsteps climbed the stairs, there was a knock on the door and he opened to a soldier holding an automatic weapon.

He stepped back and saw the man pointing his gun at him. He says: "I thought to myself, what is he doing at such close range, 1½ yards? Then that man shot me."

The bullet passed through his breast bone, close to the heart and out through his shoulder blade. His wife, Raja, 50, says she sought the help of security forces who were outside to get her husband to hospital.

They told her to get back, otherwise she would be shot as well. It took two hours before a member of the local police provided a vehicle.

Altogether eight bystanders were killed and 16 injured in what officials described euphemistically as Wednesday's "cross firing" – one of the worst such incidents in recent weeks. It began when Kashmiri Moslem nationalists threw hand grenades at a security post manned by the paramilitary forces in the Lal Chowk area. With curfew now lifted in the daytime, the streets were crowded.

Two other grenades were thrown nearby in what seemed a crude and amateurish attack by the Jammu and Kashmir Liberation Front.

Members of the Border Security Force panicked and opened fire indiscriminately, according to local residents. Police claim their commanders ordered them to stop but the firing continued.

In a nearby bed in the hospital, Mrs Jana Assad Kham lay with two bullet wounds in her chest. Hearing firing, she had rushed from her house to find her son, who earlier this year had a leg amputated after the bone had been smashed by a bullet in another incident. Her husband stood by sobbing.

Algerians demonstrate in support of democracy

By Francis Ghilès in Algiers

HUNDREDS of thousands of Algerians marched through the heart of Algiers yesterday in a show of force to support democracy and challenge the Islamic fundamentalism which has followed recent democratic reforms.

The presence yesterday of women and children, chanting "Algeria, Freedom, Democracy", and the carnival mood of the protesters, were in stark contrast to the demonstration two weeks ago by 50,000 male supporters of the Islamic Salvation Front (FIS).

Ordinary Algerians were taken aback then by the spectacle of gloomy, bearded fundamentalists marching in battalion formation and hemmed in by 6,000 well-drilled marshals.

Yesterday's march was led by four of the 20 new opposition parties, and included businessmen and doctors as well as feminists and Berber activists.

Neither the members of the Front de Libération National, the party which still rules Algeria, nor the supporters of the FIS were to be seen.

"We have lived through a dictatorship of the FLN and we're not going let the country fall into a dictatorship of the Islamic Salvation Front," said one woman marching with her husband.

FIS leaders insist they are not responsible for the increasing numbers of acts of violence, especially against women, which have characterised Algeria's newly-liberalised political life in recent months. But few observers believe their protestations of innocence, if only because Mr Ali Belhadj, one of their leaders, preaches fire and brimstone every Friday in an Algiers mosque.

FIS supporters are also believed to be behind threats against men and women whose behaviour has displeased the fundamentalist camp.

The proliferation of parties is in part an over-compensation for 27 years of one-party rule, but it does provide an indication of what might happen elsewhere in the Arab world if the rigid political controls which apply in most Arab states were to be lifted.

As the campaign for the first free elections since 1962 gets under way, Algeria is facing an explosion of political activity. Particularly remarkable is the increase in freedom of expression now displayed in newspapers, on radio and more recently on television, where journalists regularly grill members of the establishment in a manner unthinkable in any other Arab country.

Saudi stocks 'misunderstanding'

THE deputy governor of the Saudi Arabian Monetary Agency (Sama) said yesterday that there was a "misunderstanding" and that the kingdom had no plans to open a regular stock exchange, AP reports from Riyadh.

In a statement distributed by the official Saudi Press Agency, Mr Ahmed al-Malik, the Sama official, said that the misunderstanding arose when he was elaborating on the introduction of computerised technology for bank dealings in stocks and shares.

"The report about the stock exchange is not true at all, and there is no trend to open a stock exchange in the Kingdom," he said.

Sama acts as the central bank for the Kingdom. Mr Malik was quoted on Wednesday by the newspaper Okaz as saying that the bourse would open on May 24.

NZ ruling party sinks in opinion poll

By Dai Hayward in Wellington

NEW ZEALAND'S Labour Government's popularity has dropped to an all-time low, according to a public opinion poll published yesterday.

The poll shows Labour's support down to 28 per cent, the lowest recorded since polls were first begun in 1974 while the opposition National Party has soared to 64 per cent, the highest any party has scored.

Labour has been hit by a series of internal rows, including some bitter fighting over the selection of a candidate for an Auckland seat.

However, the reasons for Labour's slump are more widespread. Lack of confidence in its ability to manage the economy, continued high interest rates, public disapproval of the sale of state-owned assets, unemployment, and a rising level of violent crime have all been factors.

Labour's decline in the polls started soon after the 1987 election. The stock market crash and its aftermath aggravated the fall. National went ahead in February 1988 and has steadily improved since. However, more than 30 per cent of those polled refused to support either party.

IMF asks Egypt for details of reform

The International Monetary Fund has asked Egypt for details of its economic reform programme over the next three years, writes Tony Walker. Mr Michel Camdessus, the IMF's managing director, made the request this week at a meeting in Washington with Egyptian officials. Egypt this week raised prices of some basic commodities in an effort to gain a new IMF package.

Ethiopia lifts 13-year private banking ban

ETHIOPIA HAS lifted a 13-year ban on private banking as part of moves to liberalise its state-controlled economy, Reuter reports from Addis Ababa.

Details of new regulations in trade, industry and agriculture released yesterday said private banking would be allowed but would require permission from the authorities.

"Investment in the provision of electric light and power, processing of tobacco, banking and insurance and the supply of potable water activities shall require the prior authorisation of the Council of Ministers," a government decree said.

All private banks were nationalised after the revolution which brought President Mengistu Haile Mariam to power in 1974. President Mengistu announced in March that Ethiopia was abandoning Soviet-style socialism in favour of a mixed economy and would encourage local and foreign investment.

The new regulations were outlined last Sunday but details were sketchy. The Domestic Trade Ministry said yesterday trade licences would be lifted for local businessmen, allowing them to engage in any activity they chose.

About 40 businesses such as banking, insurance, travel agencies and transit services had been off limits to private entrepreneurs under the old socialist system.

The new regulations also offered tax breaks of up to five years for new investment and allowed private firms to compete with state-run import-export companies. Investors would be able to remit profits in convertible currency.

WHO shuns PLO application

BOWING to US threats to withdraw vital funding, the World Health Organisation (WHO) yesterday shelved indefinitely a fresh application by the Palestine Liberation Organisation to join as a full member, Reuter reports from Geneva.

The annual assembly of the health ministers and other delegates from members of the UN agency unanimously adopted a resolution asking Director-General Hiroshi Nakajima to "pursue his studies" on the issue and report "at the appropriate time".

Delegates attending the meeting said this meant the question of PLO membership, which threatened to plunge the organisation into a major financial crisis, was deferred indefinitely.

Seoul promises to curb unrest

By John Ridding in Seoul

THE South Korean Government yesterday promised tougher action against student unrest, following the eruption of violent protests in the capital and several other cities on Wednesday night.

The protests, estimated to have involved almost 100,000 students and dissidents, were among the worst in recent years. Scattered protests erupted yesterday, but a strong presence of riot police prevented a repeat of Wednesday's disturbances.

Mr Lee Chong Nam, the Justice Minister, said all available resources would be mobilised to restore law and order and police would be sent onto campuses to halt illegal demonstrations.

"So far the Government has been restrained in sending police onto campuses," he said. "But violent actions such as firebomb throwing are creating social concern and compounding social unrest."

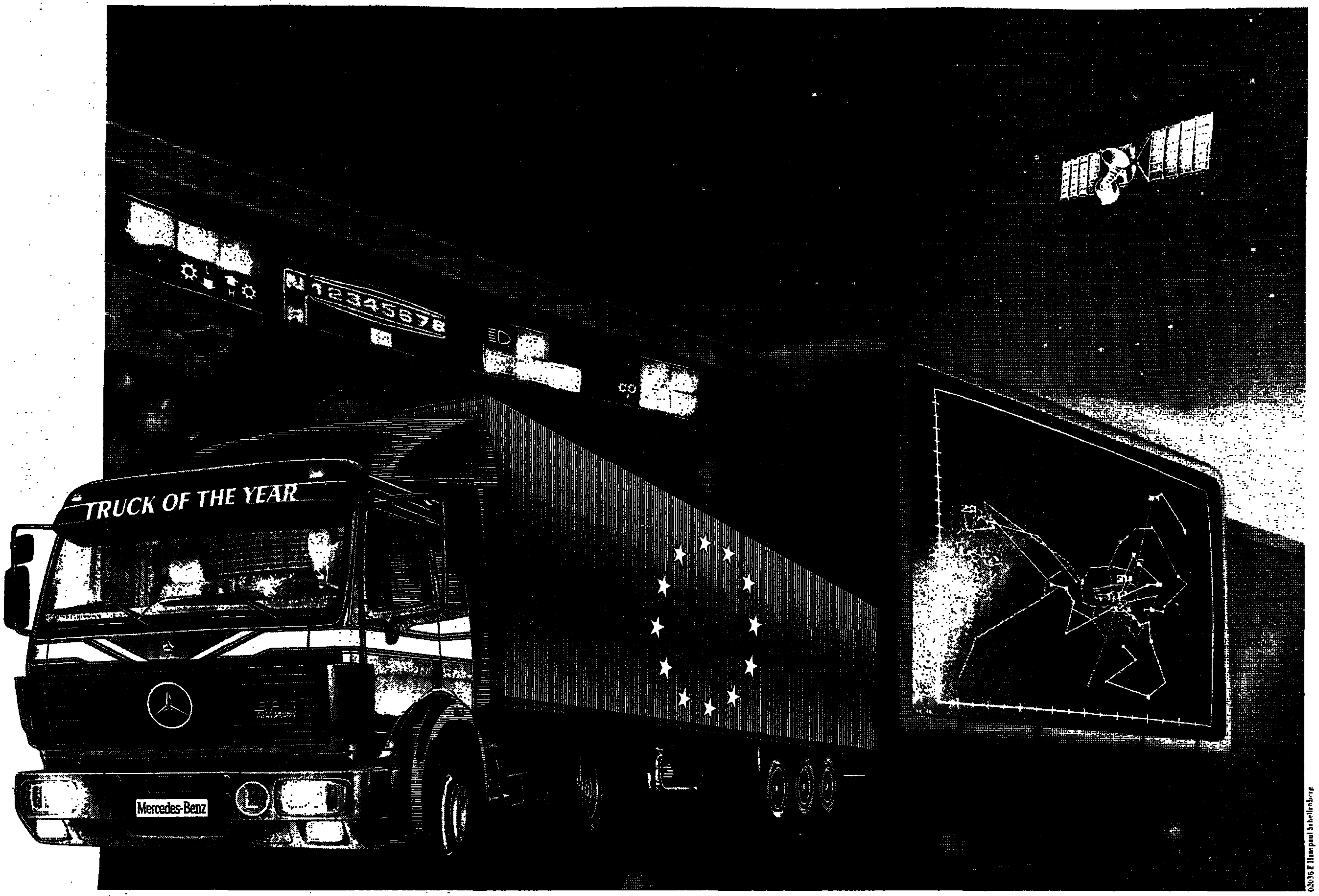
Mr Ahn Eung Mo, the Home Minister, speaking at the same press conference, said the police would also move swiftly against illegal labour disturbances.

Shortly after the announcements, 50 shipyard workers at Hyundai Heavy Industries were reported to have ended their occupation of a giant crane where they had been holding out since police stormed the yard at the end of last month.

Despite the Government's warning, a coalition of student and dissident groups said that the present wave of anti-government protest had only just begun and that they were calling for further demonstrations in protest at the ruling Democratic Liberal Party and President Roh Tae Woo.

President Roh, whose popularity has fallen to its lowest level since he took office in 1988, denied the Government was facing a crisis. He said yesterday: "It is true that the present situation is difficult, but not so difficult as to be termed a crisis. It will be overcome by government efforts and the co-operation of the people."

The Government also expressed regret for an attack on the US cultural centre in Seoul, which was set on fire during Wednesday night's demonstrations. According to police, more than 1,100 people were arrested after Wednesday's disturbances.



New technology for the road ahead.

In the coming years, conventional automotive technology will not be enough to address issues of economy, safety and environmental protection in the transport industry. And with the lifting of European trade barriers, it is even more crucial that technology keep pace with the changes, particularly regarding vehicle design, scheduling and traffic management. Not surprisingly, Mercedes-Benz are working on all these areas, but certainly not in isolation. We keep a keen eye on scientific and technological advances in many related fields. And we are firm believers in the creative exchange of ideas, particularly with our associate companies. As a result, ideas looked upon as science fiction not too long ago have now become fact. Ideas such as the new Diesel engine concept introduced in 1989, created from new materials, with integrated electronic systems. And a range of computerised management information systems to aid fleet selection and efficiency.

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UK NEWS

Safety should march with technology

Diane Summers reports on the renewed challenge facing Channel tunnel management

ONE year ago a challenge was issued to the management of the Channel tunnel project: that safety should march hand in hand with technological achievement.

Two men had already died in January and February 1989 by the time the challenge was issued by Dr John Cullen, chairman of the Health and Safety Commission, during a visit to the tunnel. Since then a further four victims have been claimed – the latest was Mr William Cartman, a 33-year-old grouter who on Monday night.

The tunnel's sixth victim has sparked off a full-scale attack on the attitude to safety of Transmanche Link – or at least the UK end of it, Translink Joint Venture. How justified is that attack and is the Channel tunnel operation worse or better than similar projects?

Dr Cullen's message was, and continues to be, that even the lowest level of deaths is unacceptable. "There can be no question of Translink Joint Venture resigning themselves to a fatal accident per mile of construction . . or indeed to any more of the kinds of accident that have marred this project so far," he stressed.

"No one can see this huge project without being deeply impressed with the achievement. I feel confident in saying to a management so clearly tackling the technical difficulties – safety must march with you," Dr Cullen added.

The accusation, from the TGWU general workers in particular, is that workers are being pushed too far, too fast for the sake of speed. There have been allegations of intimidation and threatened reductions in earnings when individual workers have complained about health and safety.

The dangers compared

Accident incidence rate: All reported injuries per 100,000 employed (1988/89)

Coal mining	5,650
Channel tunnel	4,800
Construction overall	1,840
All industries	785

The crude fact is that, according to Health and Safety Executive internal figures, working on the Channel tunnel is, indeed, getting on for three times as dangerous as working on the average building site. And a regular building site is itself one of the most hazardous places to be – there are, on average, two deaths a week in construction in the UK.

The Accident Incidence Rate (AIR) is a method used by the HSE for making comparisons between safety in different sectors of industry: injuries and fatalities are calculated per 100,000 of persons employed. The AIR, covering all accidents reported in 1988/89, was 4,800 in the Channel tunnel; it was 1,840 in construction generally and 785 for industry as a whole.

However, it would perhaps be fairer to compare the Channel tunnel project with other mining operations. Last year the AIR for coal mining was 5,650 – a figure which begins to put TML's safety record in perspective. The comparison with mining is sounder for two reasons: there is serious under-reporting of accidents in construction in general, and the tunnel has much in common with coal mining.

Channel tunnel: several accidents mar an impressive achievement

In its annual report for last year the HSE drew attention to the problem and is hoping to obtain more accurate statistics from the Department of Employment's 1990 Labour Force Survey. However, there is high confidence that all accidents within the tunnel have been reported – as, indeed, there is confidence that British Coal is rigorous in recording coalmining accidents.

The final point is that the Channel tunnel has far more in common with a coal mine than with, say, a housebuilding site. The boring equipment and other plant, the use of trains, the confined working space – all make for a highly dangerous environment – and one where risk management, rather than risk elimination, becomes the crucial issue.

French standards 'show up' British record

By Will Dawkins in Paris and Andrew Taylor in London

CRITICS of the safety record on the British side of the Channel Tunnel point to the conspicously better safety record on the French side, where there has been only one death during tunnelling work.

The French worker died last year when he was run over by a waggon carrying roofing vaults. Transmanche Link (TML) says there have been no other deaths or serious accidents in the French section.

The section has half the average national accident rate for underground construction works. The security measures taken by the French contractors go "a long way beyond what is demanded in our national law," according to TML.

Each prospective employee on the French side undergoes a one-to-two day fire fighting and first aid training, the exact length of which depends on the nature of his job.

In addition, there are regular safety seminars, training video, plus safety tips in the company's internal newspaper. Fire and accident simulations are carried out on average once a month, to test emergency procedures.

Meanwhile, first aid team of seven is kept permanently on site, with two doctors on call. TML spends FFr3m ($530,000) per year on medical services alone for the French section.

Emergency procedures and alarms are co-ordinated by a permanently staffed control room. "We have always been more attentive than usual for this project, because of the special nature of the work," says TML.

However, safety in other large tunnelling projects has not been as impressive as the French side of the tunnel. It also illustrates the inherent dangers in large scale mining projects.

The Seikan tunnel in Japan, until the Channel tunnel is completed, is the world's largest undersea tunnel. It took 21 years to build and was only completed, massively over budget, in 1987. Thirty-three workers died during its construction.

Mr John Anderson, a member of the health and safety working group of the International Tunnelling Association, says it would be wrong to compare safety records between different international tunnelling projects.

The Channel Tunnel passes mostly through chalk marl, an almost ideal material for tunnelling which is neither too hard or too soft. But there are severe problems with fissured ground under the French coast and, to a lesser extent, under the British coast.

Troubled financial group faces fresh threat

By Richard Waters and David Owen

BRITISH & Commonwealth Holdings, the stricken financial services group, was last night facing a fresh challenge to its continued existence following discontent among its major lenders.

The threat comes from holders of its £220m issue of unsecured loan stock, which are understood to be dissatisfied with B&C's rescue plan which was circulated to the company's biggest creditors late on Wednesday.

This follows moves by holders of a separate £320m issue of convertible unsecured loan stock (CULS) to demand immediate repayment of their debt in a step which could trigger the group's liquidation.

The draft rescue plan calls for B&C's senior lenders, with around £700m outstanding, to take a 25 per cent write down on their debt. This includes around 200 banks, which have lent some £400m, and sterling bond holders (with £72m outstanding), as well as the holders of the £220m.

The plan, drawn up by S G Warburg, B&C's merchant bank adviser, would involve the break-up of the company, with the money raised from the sale of subsidiaries being used to pay off the total £1bn the company owes.

Thatcher gives cool welcome to poll tax plans of Heseltine

By Michael Cassell, Political Correspondent

MRS MARGARET Thatcher yesterday gave a formal welcome to plans from Mr Michael Heseltine, the former Cabinet minister, for reforming the controversial new tax for local amenities and services, nicknamed the poll tax, although ministers privately began ruling out most of his central proposals.

With Mr Heseltine's intervention on the issue heightening divisions on the issue within the Conservative party, the prime minister fended off jibes by opposition Labour MPs in the House of Commons by claiming that the former Defence Secretary had offered "many good ideas" in his package of proposed changes to the tax.

But Mrs Thatcher, who said she intended to remain the "centre forward" of a winning team, led a concerted ministerial effort yesterday to show that her potential successor's views on the issue held no more weight than those of any other Tory MP.

She said his proposals would be considered by the present review group examining the workings of the tax but immediately ruled out the prospect of a restructuring of local government in the lifetime of the present parliament.

Mr Heseltine, who yesterday again denied that he was running an undeclared leadership campaign, has called for a return to single-tier local government to make it more accountable.

The prime minister again appeared to rule out fundamental changes to the tax, referring only to "modifications and adjustments". Mr Heseltine had been correct, she added, in claiming that the government would win the next election with the poll tax in place.

Mrs Thatcher also hinted, in the face of pressure from some Tory MPs, that the government might consider establishing a Commons select committee to examine the whole question of excessive spending by local councils.

Despite her public welcome for Mr Heseltine's contribution to the poll tax debate, ministers and Whitehall sources are making it clear that his plans for banding the tax, in order to relate it more closely to ability to pay, will be rejected.

Some Conservative MPs, however, saw Mr Heseltine's move merely as part of a well-orchestrated plan to ensure he remains in the spotlight as a future party leader.

Mr Malcolm Rifkind, the Scottish Secretary, yesterday dismissed Mr Heseltine's suggestions as "woolly".

E Europe changes stimulate West

By John Authers

Changes in Eastern Europe will stimulate Western European economies, according to the Bank of England Quarterly Bulletin.

The Bank warns that the short-term stimulus from German unification and the longer-term boost from the restructuring of the other eastern European economies, could provide unwanted extra fuel for the inflationary pressures already felt in the West.

Interest rates may have to rise further as a result, says the bulletin, and "are likely to remain high for some time as demand growth remains strong and the authorities maintain their firm monetary policy stance".

In West Germany, where tax reforms have already put the economy under "some signs of strain," higher consumer price inflation is expected this year and next. The Bank also expects the German trade surplus to drop "sharply" next year as West Germans take up investment opportunities in the East.

According to the bulletin, the risks of higher inflation and accompanying high interest rates dilute the good news from Eastern Europe for growth and trade in the West.

The growth in world trade is expected to slow to 6 per cent this year from 8 per cent in 1989. Expansion in the European economies will allow world trade growth to reach 7.5 per cent in 1991 and 1992.

US productivity is thought unlikely to improve as business investment is forecast to grow by only 1 or 2 per cent this year.The current account deficit is forecast to fall slightly.

The Japanese economy is seen as still having some momentum, with growth in domestic demand and business investment both slowing slightly. over the next two years.

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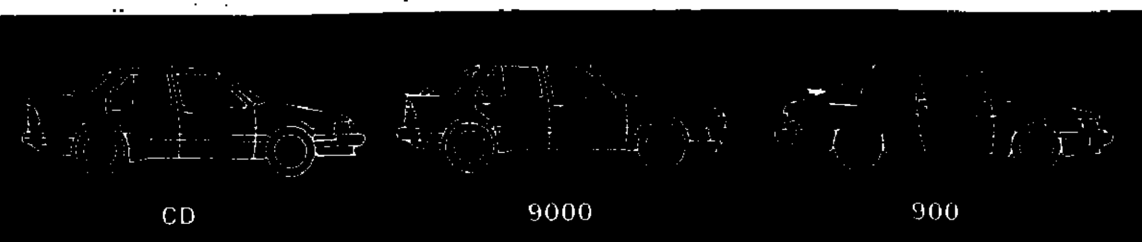

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AT&T launches British network

By Alan Cane

AMERICAN Telephone & Telegraph, the US telecommunications giant, has created a new UK computer marketing subsidiary as the first of what it hopes will be a series of ventures to broaden its data processing business in Europe.

It is the first business venture that AT&T has established outside the US specifically to market computer systems.

To date, it has sold systems in Europe through AT&T Computer Systems, with offices in Paris and Brussels, or through a reciprocal marketing agreement with Olivetti, the Italian office equipment supplier. Neither approach has proved outstandingly successful.

The new company, AT&T Istel Computer Systems, will establish a network of direct sales operations, dealers and systems specialists.

It has been created as a consequence of AT&T's purchase last year of Istel, a leading UK computing services company. It is the second new business direction AT&T has explored in the UK since buying Istel. Earlier, it established an electronic mail subsidiary AT&T Global Messaging Services.

Mr Bob Kavner, group executive in AT&T's data systems division, said the decision to establish a new company in the UK had followed the company's recent success with its range of computer products in the US.

It was now anxious to exploit opportunities outside the US and it was logical to start with the UK and Ireland where Istel had considerable technical skills, customer knowledge and market management. "This is the first of a number of ventures that we intend to establish throughout Europe," Mr Kavner said. He estimated the investment in the new approach at several hundred million dollars.

Mr John Boyd, president of the international arm of AT&T Computer Systems becomes chairman of the new company; it will be run by Mr Michael Grant, formerly managing director of Istel Automation.

AT&T Istel Computer Systems will sell essentially computer networks using the Unix operating system which AT&T invented and which looks like becoming the industry standard for small and medium sized computer systems. AT&T has long had ambitions in the computer business but neither its marketing approach nor its products have had much success until recently.

Telecom announces sweeping reorganisation

By Charles Leadbeater, Industrial Editor

BRITISH Telecom, the UK network, is to cut its 40,000 strong managerial and professional workforce by between 4,000 and 5,000 over the next 12 months as part of the most sweeping reorganisation of the company since it was privatised in 1984.

Mr Iain Vallance, the company's executive chairman who unveiled the plan for a voluntary redundancy scheme yesterday said the reorganisation was intended to "find ways of doing what the customer wants instead of what suits us."

The job losses, which will be concentrated among managers earning between £20,000 to £30,000 a year will significantly reduce BT's costs in the medium run. The reorganisation is intended to allow a tighter management of the company, which should accelerate labour shedding to a rate of 10,000 jobs a year over the next three years.

BT is widely judged to be overmanned compared with telecommunications companies in the US which are expected to become increasingly significant competitors in the international market. BT's pay roll rose from 234,397 in March 1987 to 244,418 in March last year as it improved quality of service in the face of mounting public complaints.

BT said it could not disclose the cost of the early release scheme as the details were still being worked out with the company's pension fund.

Mr Vallance stressed that the aim of the reorganisation was not simply to reduce costs but to reshape the organisation to meet fiercer competition in providing services to international companies and to develop more sophisticated services for residential customers.

In the next year the company's structure and management will be completely overhauled through the so-called "Project Sovereign" with the aim of instituting the changes in April next year.

The project, which could consume vast amounts of management time, is one of the most ambitious launched by a British company.

East London borough to recruit US teachers

By Norma Cohen

A LONDON borough plans to hire 30 or more teachers from the US to cover an acute teacher shortage, paying a non-profit agency £1,000 ($1,666) for each recruit.

Tower Hamlets, the east London borough particularly hard hit by a national lack of teachers, has about 200 pupils who have been denied places because of staff shortages. There are also 257 unfilled permanent vacancies, of which all but 26 are being filled by temporary staff.

The borough has joined other inner London authorities in recruiting from abroad as part of its efforts to obtain qualified staff. The high cost of living in London has made recruitment particularly difficult for these boroughs.

Tower Hamlets already has 20 teachers from the Netherlands and several from other European countries. It has also taken on 10 teachers from Bangladesh to work on two-year contracts.

Recruitment of US teachers will be conducted by the Mountbatten Internship Programme which places British students in employment in the US.

Tobacco group cuts 1240 jobs

By Philip Rawstorne

IMPERIAL Tobacco, the UK's second largest cigarette manufacturer, yesterday announced job cuts of 1,240 – more than a quarter of its workforce.

The company said it also plans to invest nearly £40m in "new generation" machinery and other production facilities designed to make it "the most efficient tobacco manufacturer in Europe by 1992."

Imperial claimed the moves were designed to enable it to defend its UK market position and to compete effectively after tax changes in the European single market.

The company, which makes John Player and Embassy cigarettes, St Bruno tobacco, and Castella cigars, and was acquired by the Hanson group in 1986, is to consolidate manufacturing into three factories at Nottingham (cigarettes), Bristol (cigars), and Liverpool (pipe tobaccos and snuff).

Cigar factories at Glasgow and Ipswich will be closed by May, 1992, with the loss, respectively, of 530 jobs and 410 jobs. Another 300 jobs will go at Bristol with the transfer of cigarette production to Nottingham, where some 110 extra jobs will be created.

Mr Martin Taylor, vice-chairman of Hanson, said yesterday: "The restructuring is vital if Imperial is to defend its position in the UK market – a 34 per cent share – after 1992."

The EC Commission's proposals for tax harmonisation on tobacco products gave far more emphasis to the proportional "ad valorem" tax.

That system, Mr Taylor claimed, offered retail price advantages to low cost products such as those manufactured widely on the continent and could lead to an influx of cheaper products into the UK after 1992.

Cheap, imported cigarettes currently account for about 8 per cent of the UK market.

Brussels officials yesterday expressed scepticism at the reasons given for Imperial's decision.

Call for European confederation

By Michael Cassell

EUROPEAN confederation run on a parliamentary structure but recognising the sovereignty of member states, offers the only acceptable model for political union, according to a paper published yesterday by the Bruges Group.

Written by Dr Alan Sked of the London School of Economics, the paper makes a number of proposals, based on reform of the European parliament.

Dr Sked, who rejects the federalist case for a European "superstate", says only a Confederation can sustain a diversified but unified Europe. His views come as EC foreign ministers draw up proposals on political union for next month's summit.

The paper calls for greater powers for the European parliament, including the right to scrutinise the EC budget and to amend it by majority vote.

Dr Sked says the parliament has too few powers to act as an effective break on the European Commission. Parliamentary accountability, he suggests, should be strengthened by integrating the parliamentary process at national and EC levels.

Recommendations include:

- The creation of a European Cabinet.
- A strengthened European Commission.
- The appointment by member states of a Secretary of State for Europe.
- EC entry for eastern European and EFTA nations.

A Proposal for European Unity by Alan Sked. Bruges Group. Suite 102, Whitehall Court, Westminster, London SW1A 2EL.

BRITAIN IN BRIEF

Prototype N-station to close

The 100-megawatt prototype nuclear power station at Winfrith in Dorset, western England, is to close in 1992, the UK Atomic Energy Authority announced yesterday.

The steam-generating heavy water reactor (SGHWR) – once nicknamed "the steamer" – was chosen by the Labour Government in 1974 as the basis for a 4,000 MW programme of new nuclear stations, then abandoned three years later when its inherent complexities became better understood.

The prototype reactor first generated power in 1967 and has operated reliably as a small power station for 23 years, with an average load factor in the 1980s that was good by UK nuclear standards.

The UK AEA says it is closing the station – with the loss of 450 jobs over the next three years – because of the high cost of maintaining the only reactor of its kind.

Honda to buy local power

The Honda car plant being built at Swindon, Wiltshire, is to buy electricity from the local electricity distribution company rather than one of the national power generators.

The plant, designed to build 100,000 cars a year, will buy its power from Southern Electric in a five year deal worth nearly £8m, which includes power supplies for Honda's offices in Reading and Chiswick.

The Southern contract comes at a time when National Power and PowerGen, the successor companies to the Central Electricity Generating Board are competing aggressively for large contract customers which can shop around for their power in the new privatised electricity market.

Backing for oil pollution vessel

Oil companies in the North Sea are to provide upwards of £1m a year to underwrite the provision of a dedicated pollution control vessel and a pollution incident centre.

Eight production companies and nine exploration companies are involved in the scheme. The vessel is to be capable of reaching any point in the North Sea within 24 hours and "first aid" equipment is to be available at one and a half hour's notice to contain oil spills until the vessel arrives.

BA plans unit in N East

British Airways is to build a £35m telephone sales centre and computer systems development unit in north east England's Newcastle Business Park on the banks of the River Tyne, creating 800 jobs by 1994 with the likelihood of another 300 later.

Several UK regions competed for the project, which the Tyne and Wear Development Corporation, the Government agency responsible for the business park, described yesterday as Newcastle's most significant in the last 10 years. BA plans to expand its international telephone sales system, with the Newcastle centre linked to offices in Belfast, Glasgow, London, Manchester and New York.

King to visit Soviet Union

Tom King, the British Defence Secretary, is to visit the Soviet Union for five days next week – the first such visit.

The visit will mark a further important step forward in bilateral relations between the two countries and will be an opportunity to continue the Anglo-Soviet dialogue begun last year, the Ministry of Defence said yesterday.

King: Moscow-bound

He will visit the Kubinka airbase, the Higher Airborne Academy and a unit of the airborne forces at Ryazan, the Black Sea fleet at Sevastopol and the Leningrad military district.

Scare over diseased cats

Tissue samples from a brain-damaged cat which died showing symptoms similar to the so-called "mad cow disease" were last night being examined by Ministry of Agriculture experts.

The spongiform encephalopathy diagnosed in the five-year-old Siamese had not been seen in cats before, according to the ministry's chief veterinary officer.

Mr Keith Meldrum said: "Inquiries into the case will continue, but at present there is no evidence that the condition is transmissible."

Bovine Spongiform Encephalopathy (BSE), or mad cow disease, has triggered fears about contaminated meat.

Pan Am settles out of court

Pan American Airlines has reached an out of court settlement with 250 Scottish families whose relatives were killed or injured on the ground by the Lockerbie disaster, according to a Miami lawyer handling the claims.

Both sides agreed to keep details of the settlement secret but Mr Aaron Podhurst, an attorney handling the claims, said he was "satisfied with the outcome." Eleven people in Lockerbie were killed and property destroyed when the Pan Am aircraft crashed on the village after a mid-air explosion in December 1988.

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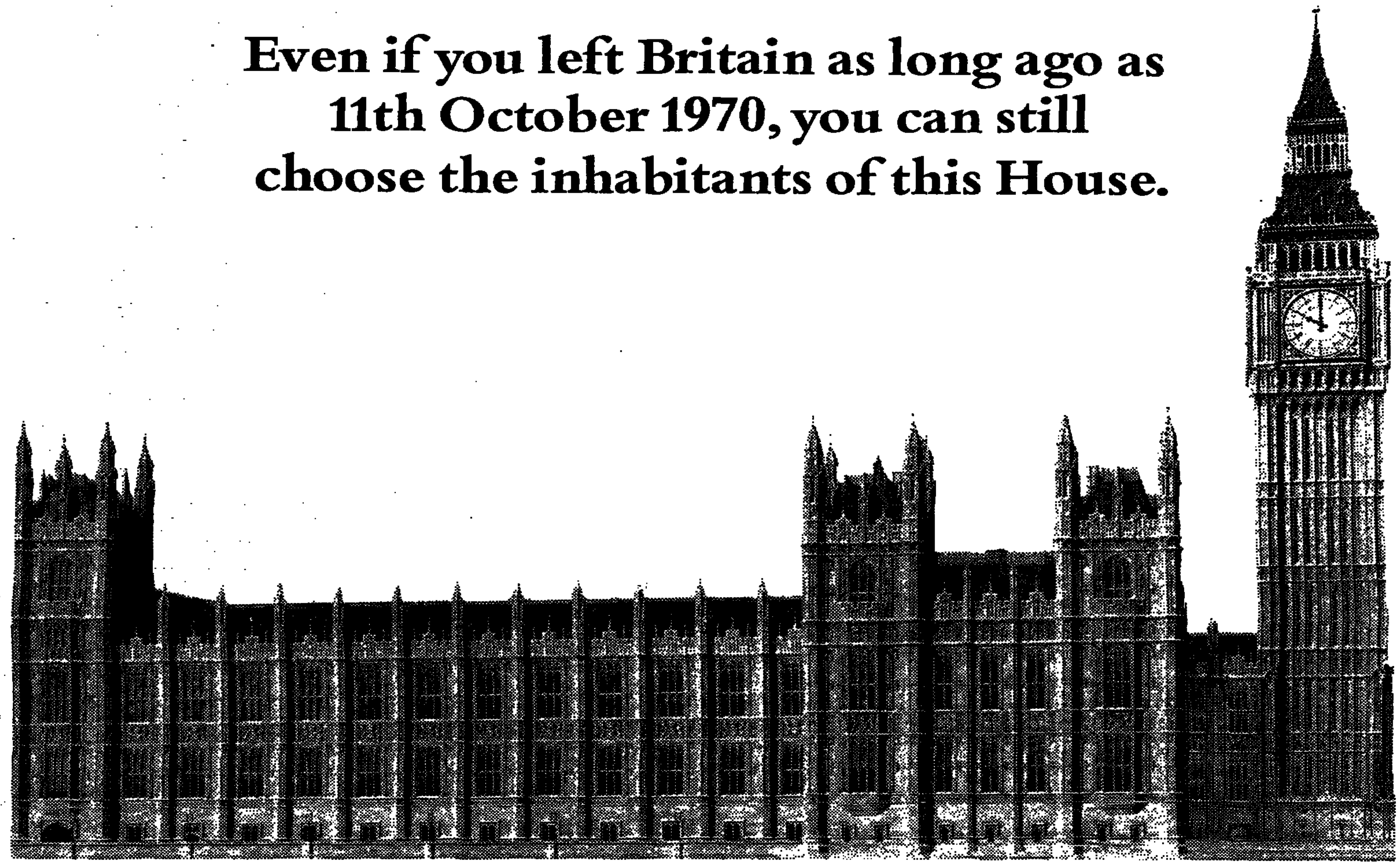

Under the Representation of the People Act of 1989, important changes have been made in who can vote in UK Parliamentary and European Parliamentary Elections.

- The qualifying period for the right to vote for people living abroad has been extended from five to twenty years. That means if you left the UK as long ago as October 1970 you can still vote.
- People who left the UK before they were old enough to be included on the Electoral Register may register as overseas electors.
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MANAGEMENT

Inmos

A gifted child approaches its potential

Michael Skapinker assesses the UK semiconductor company's progress a year after its acquisition by SGS-Thomson

Michael Wright, the managing director of Inmos, says that after a decade of neglect the British semiconductor company finally feels like a much-loved, adopted child.

Inmos had to go beyond Britain's shores to find a happy home. The adoptive parents are SGS-Thomson, the Italian-French computer chip group, which bought Inmos a year ago last month.

When Inmos passed into SGS-Thomson's ownership, many saw it as yet another depressing instance of Britain allowing foreigners to make off with its best ideas.

Set up in 1978 by a Labour government to ensure Britain's role in the world of high technology, Inmos soon found itself in the hands of a Conservative administration desperate to get rid of it. Thorn EMI, the UK music, lighting and technology group, took Inmos over in 1984, before deciding that it too wanted to dispose of it.

Inmos was, and is, renowned for its pioneering transputer, a computer on a chip. When SGS-Thomson acquired the company and its technology last year, some commentators gloomily concluded that Britain would have little part to play in the high technology industries of the 21st century.

Michael Wright does acknowledge that the French and Italian governments seem keener than his own to support their semiconductor industries. SGS-Thomson's controlling shareholders are Thomson CSF, the French electronics group, and IRI/Finmeccanica, the Italian holding company. Both are state-owned. The UK government's determination to find a private buyer for Inmos set in train a sequence of events which led to it being renationalised.

Wright seems uninterested in dwelling on such ironies. And, perhaps making a virtue of necessity, he denies that the sale of Inmos represented a failure of British vision. Although he now reports to SGS-Thomson in Italy, he insists that "what we are doing here hasn't changed. And we're doing it in the UK. The products are still being designed here. The creative aspect of the business is here."

What has changed, he says, is that Inmos now has a parent which is prepared to invest in its future. "In the two to three years before the acquisition we'd had some investment, but not at the level that's really required to support a company in this fast-moving business," Wright says.

Immediately after SGS-Thomson bought Inmos, Pasquale Pistorio, the Italian-French group's president, arrived at the UK company's Bristol headquarters for a 2½ day meeting.

Pistorio made clear his motive for acquiring Inmos. He wanted the UK company for its transputers, he said. He also liked Inmos's Static Random Access Memory (S-Ram) chips. SGS-Thomson makes S-Rams too, but Inmos's products are aimed at a higher end of the market.

The two companies have complementary geographic strengths. Inmos has a healthy market in the US and a growing business in Japan. SGS-Thomson is strong in continental Europe. By contrast, at the time that SGS-Thomson acquired it, Inmos had only two salesmen in France.

"Pistorio said to us 'what would you like to do? What have you been frustrated by not being able to do in the past?'" Paul Strzelecki, Inmos's marketing director, recalls.

Inmos's managers said that what they wanted to do was sell their transputers to a wider range of users. Strzelecki believes it is essential that the transputer comes to be seen as a high-volume product and not as a chip used only in advanced computer equipment. "People had the impression that the transputer was difficult to use and that only sophisticated manufacturers could use it," he says.

He told Pistorio he was particularly keen to increase transputer sales to manufacturers of office equipment like laser printers and facsimile machines. Strzelecki believes

Michael Wright (left) and Paul Strzelecki: wanted to sell their transputers to a wider range of users

the transputer could eventually be used by an even wider range of consumers.

He recounts that a car he recently hired in the US had an electronic screen on the dashboard, displaying a map of the city and a pointer showing him where he was. This service was provided by a land-based signal which tracked the car he was driving. Terrestrial signals suffer from interference, however. A far better system could eventually be provided by satellite. Inmos transputers are already providing satellite positioning to ships. Every car could eventually be provided with such an electronic map, Strzelecki says. Ramblers could even put one in their pockets when they go walking in the country.

The fulfilment of these immediate and long-term plans required a cut in the price of transputers, an increase in customer awareness of the product, and more staff.

Pistorio agreed to an Inmos proposal to cut the prices of its transputer range by between 40 and 70 per cent. The company also launched a new, low cost transputer, the T400, at the end of last year. The next generation transputer, the H1, will be launched in a year's time.

Wright and Strzelecki say that it was the recruitment of new personnel which made these developments possible. The importance of increased staffing is that it allows Inmos to look for new customers, confident in the knowledge that it will be able to give them the support they need.

Since the SGS-Thomson takeover, Inmos has been allowed to double the size of its design group to 230 people. It has also been able to double its marketing group to about 60. Over the next nine months, Wright says he intends to recruit around 100 further technical and marketing personnel, half of them new graduates.

Wright says that SGS-Thomson has also invested more than $25m in new manufacturing equipment at Inmos's factory in Newport, South Wales.

SGS-Thomson launched an advertising campaign to increase awareness of the Inmos transputer. Strzelecki will not say how much was spent on the campaign, but he says it was SGS-Thomson's most significant advertising expenditure last year.

Michael Wright says that having a new owner has given customers the confidence to buy Inmos products. "There's no doubt that over the years Inmos was held back, that there were people who would have bought our products but hesitated because our future could not be guaranteed," he says. "These days, because Inmos is part of a major group, those sorts of question do not get asked."

Although Inmos still exists as a separate entity it no longer has its own sales force. Its sales personnel are now part of the SGS-Thomson sales team. Each of the 500-odd SGS-Thomson sales people has now received a day's training on the Inmos products.

Despite the progress so far, Wright concedes that improving Inmos's financial performance will take some time. Pistorio said earlier this year that Inmos was barely profitable in 1989 on turnover of about $120m. Wright says he does not expect to see any substantial improvement in profits this year. The difference now, he says, is that Inmos's owner is prepared to take a long-term view.

"Pistorio has said 'I don't want to make lots of money out of Inmos. I want to invest in its future'," he says. Apart from improved prospects for the transputer, Wright and Strzelecki point out that every IBM personal computer sold today contains an Inmos 'electronic paintbox' – a digital directory of the colours used in graphics. Long term, they argue, the company's prospects are good.

Outside observers agree, but Mick McLean, a consultant with Mackintosh-Generics, warns that SGS-Thomson does not have a bottomless pit of money to invest in Inmos. Pistorio also said earlier this year that 1990 would be a difficult year for the group and that SGS-Thomson itself would require an injection of cash from its banks and controlling shareholders.

McLean, who co-authored a book about Inmos in the mid-1980s, agrees with Wright and Strzelecki that it is time to stop anguishing over the opportunities that Britain lost when Thorn-EMI sold Inmos. "It's probably far too late to think at that sort of parochial level any longer," McLean says. That Inmos found a European owner should be a cause for some satisfaction, he adds.

Strzelecki argues that: "We're still providing jobs in the UK, we've retained our knowledge base in the UK, but we're now part of a wider European group. We now have a European role and that's possibly more important than our original mission."

Injecting an element of surprise into strategy

Christopher Lorenz on the new fashion for 'time-based competition'

Give or take a few resilient exceptions, management fashions tend to last about five years. Yet the competitive edge which they give their followers is usually much more short-lived, since everyone in the same industry tends to jump on the bandwagon in quick succession.

By the time the average new practitioner is reaping the benefits of any fashion, the company which led it will, if it has its wits about it, be on to the next phase in its constant drive to out-smart the competition.

That, in microcosm, is the story of Japanese competitive innovation, and western followership, over the past 20 years. While the Japanese have consistently changed the rules of the competitive game, in a succession of ways, most of their western rivals have chased along behind, forever heralding the latest strategy or technique as "the" answer to survival and success.

A whole business school and consultancy industry has fostered this practice of simplistic competitive emulation, rather than searching for new ways to help companies leapfrog their rivals.

From the universal 1970s doctrine of competing on the basis of low costs, which was fostered by the famous Boston Consulting Group (BCG) "experience curve", western industry moved on in the early 1980s to embrace the notion of mutually exclusive "generic strategies".

Popularised by Harvard's Professor Michael Porter, this counselled companies to choose, in their various products and services, between a strategy of competing either on the basis of low cost, or of market differentiation (what Porter and other academics dub "variety").

Only in the past three years or so has this doctrine been seriously challenged by other business school academics, on the grounds that, with modern organisation techniques and production technology, it is perfectly possible to offer both at once: variety and quality at low cost.

A new fashion, which builds on this approach has been gaining ground rapidly since last year. Called "time-based competition", its chief populariser has been George Stalk, a BCG consultant. In a book published a few weeks ago he and a co-author, Thomas Hout, expound the organisational, marketing and financial advantages of compressing time in everything a company does.

One of the roots of this new fashion was the pioneering work of several leading Japanese and western companies almost a decade ago in shortening the time it takes to develop new products – often by more than a half. Another was "Just In Time" (JIT) and associated techniques for slashing manufacturing cycles and the cost of inventory.

Within manufacturing companies, these two fashions took real hold several years ago: accelerated product development was heralded in this newspaper, for instance, by a series of articles in 1986, while JIT has received saturation coverage for at least as long.

As formulated by Stalk and Hout, "time-based competition" extends the principle of time compression from product development, inventory management, and production into every aspect of running a business – and to every type of business.

In banking as much as manufacturing, they argue, the "secret" of success for the 1990s will be to offer variety at low cost in double-quick time. Just as Citicorp has won new US customers by slashing the time it typically takes to approve a mortgage – from up to 60 days to as little as 15 minutes – so Wal-Mart, a fast-growing retailer, turns over its stock more than four times as quickly as its competitors. As a result it can offer more choice as well cutting the cash tied up in inventories.

If everyone is now starting to follow suit, the new fashion would seem already to have lost any element of surprise. Yet if companies follow the BCG advice, it can still exist – not in the principle of time-based competition, but in its practice.

Compared with many of their consultancy peers who have sparked off previous fashions, Stalk and Hout lay unusual emphasis on the importance of taking one's competitors unawares – for instance, by not starting to halve your actual market response times until you have secretly perfected the art of cutting them very much more sharply; and by sending your rivals all sorts of misleading signals about what you are up to.

Such surprise can only extend a company's competitive advantage for a limited time, of course; once the secret of its ability to compress time, offer variety and cut cost all at once is known, its rivals will catch on relatively quickly to the way it achieves these feats. So it must look for the next trick.

Which is why Stalk says he is already searching for a new fashion to create. He won't say what it will be, of course, but hints that it might revolve around an organisation's ability to serve each customer quickly and differently, as a time-compressed "segment of one". Mind you, he could just be saying that to mislead BCG's competitors.

* *Competing Against Time. By George Stalk and Thomas Hout. Maxwell Communications Corporation, £18.95 (UK); Free Press $24.95 (US).*

TECHNOLOGY

Lynton McLain describes how polycrystalline film can make industrial productivity sparkle

Diamonds are a tool's best friend

An international race is under way to produce synthetically thin films of diamond, the hardest substance in nature. Diamond film has the potential to improve greatly the efficiency of industrial operations and the durability of products.

The commercial development of diamond film is a pinnacle of thin film technology, an emerging branch of surface engineering which can change the properties of a material by making a surface harder, stronger, with lower friction or with improved thermal properties.

Surface engineering involves the design of a surface and substrate (the material a new surface is applied to) as a single system to give an improved cost-effective performance of which neither material is capable on its own.

A cutting tool coated with a diamond film could achieve greater cutting speeds and less resistance than even the most advanced coatings currently used, such as titanium nitride and tungsten carbide. Diamond is also an excellent heat conductor, so a cutting tool coated with a diamond film could offer faster cutting speeds, less resistance and a greater capacity for transfering the heat generated in cutting.

The development of thin films of diamond is the latest stage in a long search for ways of synthesising diamond, the naturally occuring crystalline formation of pure carbon atoms in an octahedral diamond formation.

Scientists around the world have been pursuing the goal of making sheets of synthetic diamond since 1977, when Boris Deryaguin, a Russian scientist at the Moscow Institute of Physical Chemistry, discovered a process based on atomic hydrogen and methane gas.

He showed that vaporised carbon, seemingly from any material containing carbon, such as methane or alcohol, and atomic hydrogen could result in the deposition of a film of diamond on hot objects. This film is a conglomerate of masses of microscopic crystals of diamond.

Natural diamonds are the product of high temperatures and pressures on carbon. US scientists at General Electric manufactured industrial diamond in the form of small particles in the 1950s by simulating these conditions in a commercial process.

Though not as clear in colour as natural diamonds, industrial ones are as hard as precious stones and are suitable as an abrasive and for coating the surface of cutting tools and drills. Industrial diamond retains an important role in industry, with annual sales worldwide of about $200m.

Diamond film differs from industrial diamond because it has a crystalline structure of natural diamond whereas the industrial version is made of a mixture of amorphous carbon and imperfect crystalline carbon. This crystalline structure gives diamond film the same high-performance qualities as natural diamonds.

The film is expected to result in improvements in the operational life of tools and drills. It offers an improvement of up to 100 times in cutting speed compared with a conventional high speed cutting tool, says David Ingram, associate professor at Ohio University, which has several research programmes in surface engineering.

Other potential applications include coatings for bearings, gear wheels and hip joint replacements. Diamond also has excellent optical properties, with high transparency and a high refractive index. Its availability as a film opens the prospect of a range of applications, including diamond windows for X-ray machines, one of the first diamond film applications to be marketed.

Japanese industry was quick to exploit the lead opened by the Russians. Of almost 600 patents granted on diamond technology over the five years to 1988, 488 were to Japanese companies, 28 went to US companies and the rest were awarded elsewhere.

Japan's Asahi Diamond Industrial company, one of the largest manufacturers of cutting tools, is marketing tools coated with a substance which has diamond-like properties. The Sony Corporation has developed loudspeakers which incorporate thin, rigid diamond film resonators.

Between 80 and 100 Japanese companies, including Kobe Steel, Sumitomo Electric, Mitsubishi Metal, Toshiba Tungalloy, Fujitsu and NEC, are working on thin diamond film technology. They are spending an estimated $100m a year on research into the new diamond technology, according to Laurie Conner, the vice-president for marketing and sales at Crystallume, based in California. Crystallume has developed what it claims to be the world's first saleable product using synthetic diamond film, an ultra-thin window for X-ray machines.

Crystallume is currently spending more than $2m a year on research into diamond film. Conner says the basic production process, known as plasma enhanced chemical vapour deposition, involves a mixture of about 95 per cent hydrogen and about 5 per cent methane or any other gas containing carbon.

The mixture is electrically excited using high energy microwaves or radio frequency heating, creating a glowing pink/purple plasma of charged particles from the atoms of hydrogen and carbon.

Amorphous carbon can be produced by shooting beams of ions (charged particles) at a carbon target. Some of the carbon atoms are detached from the target and can be deposited elsewhere as a diamond-like coating. Diamond can also be produced from an ordinary oxy-acetylene flame under laboratory conditions.

Silicon nitride, a potential competitor to diamond film, can cut as fast as diamond film but is available only in solid form. Solid natural and synthetic diamond is already being brazed on to some cutting tools but is more expensive than film-coated tools and only has limited uses.

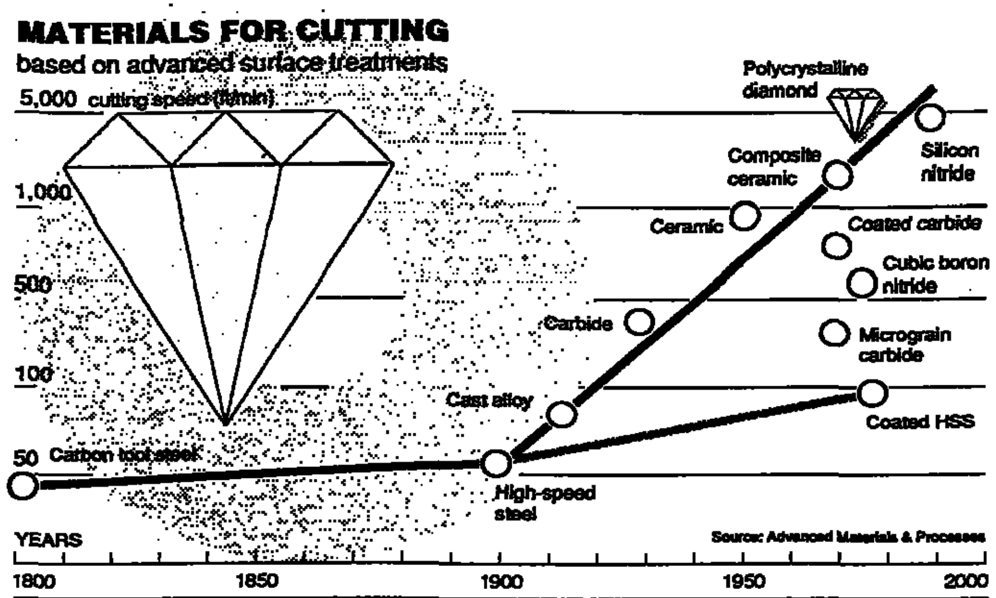
The X-ray window made by Crystallume is 6mm in diameter and 0.350mm thick, but is capable of withstanding a pressure of almost 20 pounds a square inch. The X-ray diamond film window was introduced last year and is being sold in the US, Europe and Japan. Crystallume has also made a four-inch diameter film of diamond, one of the largest made so far.

In the US, General Electric, IBM, Texas Instruments, Air Products and Norton are also working on diamond film technology. The US Government is spending an estimated $6m on synthetic diamond research, with about half provided by the Strategic Defence Initiative Organisation through the Office of Naval Research.

For applications in industrial tooling, the US National Centre for Manufacturing Sciences, an organisation of 90 leading US *companies working on new* generation manufacturing technologies, appointed Crystallume to develop diamond coating tool inserts for member companies, including Ford Motor, General Motors and AT&T.

In Britain, the UK Atomic Energy Authority at Harwell, and Tecvac, a Cambridge company bought recently by Royal Dutch/Shell to exploit advanced surface engineering technologies, are among those working on thin diamond films.

In West Germany, the Federal Ministry of Research and Technology has identified surface engineering as the most important emerging technology for the 1990s, says Professor Barry Mordike. He is the head of the department of metallurgy and materials at the Clausthal University in West Germany. He says West Germany is committed to spending hundreds of millions of D-marks on surface engineering over the next five years, with the emphasis on understanding the physics of thin films, including diamond film.



UK pollution control gets the green light

Peter Marsh looks at ICI's efforts to reduce waste emissions as more stringent laws come into force

Imperial Chemical Industries is one of hundreds of UK companies looking forward to the enactment of the Environmental Protection Bill with more than a hint of trepidation. The so-called Green Bill, now passing through the Commons, is due to receive royal assent in July and become law next year.

The legislation will establish the framework for new, quantitative assessments of pollution which will put the UK's system for controlling environmental problems on a similar footing to that which exists in much of continental Europe.

The new UK rules, partly influenced by the idea of setting similar standards across Europe in the run-up to the 1992 trade liberalisation process, will lead to a general tightening in Britain of pollution control. It will force large companies like ICI into new and onerous procedures to cut their waste emissions.

At the centre of the efforts *of ICI – Britain's biggest* manufacturing group – to come to terms with the new ideas in the bill is the company's environmental research laboratory in Brixham, Devon. The research centre, with a staff of 82 and an annual budget of £4m, started up in 1948 mainly to investigate corrosion resistance in marine paints.

In the past few years its role has been extended to examine environmental questions affecting the whole of the £13bn-a-year chemicals group. ICI's divisions make thousands of products ranging from agrochemicals to bulk industrial materials where either the manufacturing operations or use of the substances can disturb the environment.

John Lawrence, the laboratory's director, says the climate of opinion in the UK on environmental matters has changed rapidly since the mid 1980s. That has forced companies, including ICI, to examine their production operations to discover in more detail how much pollution they are causing and its effects.

More action may have to be taken to reduce waste from production operations or deal with it more effectively. ICI believes that during the 1990s it will have to increase by half its capital spending linked to environmental matters, now running at about £100m a year.

There is also the question of public relations. In future, chemicals companies in particular will have to do more to satisfy the public that they can address environmental questions satisfactorily, Lawrence believes. "In the past, industry has responded to the general framework of legislation on pollution matters but we realise now that is not enough; we have to have a more active stance on environmental policy," he says.

Lawrence, a civil engineer, has been in charge of the laboratory since 1979. In the past two years, in line with the heightened general interest in *Britain on pollution matters*, the laboratory has increased its staff by 50 per cent.

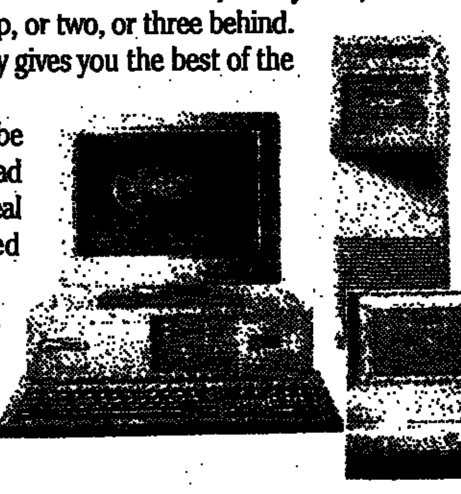
That has been necessary to cope with the extra workload demanded of the centre by ICI's commercial divisions, which provide roughly two thirds of the laboratory's budget through contracts geared to specific areas of research. The rest comes largely from central ICI funds and covers more theoretical long-term work. As part of the general expansion of the work at Brixham, ICI has spent £3.7m on an extension to the laboratory which is due to open in July.

As part of the process of enacting the Green Bill, the Government is expected to strengthen Her Majesty's Inspectorate of Pollution, the main state environmental watchdog. This has suffered a variety of problems in recent years, among them difficulties in attracting high-calibre staff and, say some, insufficient funding.

Rod Perriman, who resigned in November 1988 as HMIP's chief inspector in charge of air and water waste, is now a senior manager at the Brixham laboratory, where he supervises environmental technology. Perriman says Britain is having to introduce new numerical standards for controlling pollution that will lead to big changes for much of industry. "The new regulations are being rushed in at tremendous pace and both the HMIP and industry face a difficult few years," he says.

The Brixham centre is involved in a number of ICI-wide programmes that are attempting to improve the company's environmental performance:

- Scientists are monitoring effluent compositions from the company's 30 main production plants, most of them in Britain, to gain detailed figures on volumes of noxious chemicals in waste streams.
- ICI is involved in a survey of vents and chimneys from its UK plants which discharge gases into the atmosphere. UK pollution legislation after the *Green Bill may require companies* to obtain authorisations for operating such vents.
- Brixham scientists are monitoring new incinerator and water clean-up technologies which may be required by ICI plants in the mid to late 1990s for disposing of solid waste or removing pollutants from aqueous discharges. At the moment, many of ICI's British plants have less sophisticated waste-treatment facilities than many similar chemicals factories in continental Europe.
- ICI plans to increase the training of its plant engineers and scientists on environmental matters. It has also set up a new group of environmental engineers, headed by Perriman, which advises on new plant building schemes.
- Work on testing chemicals such as dyes and other industrial materials for their long-term effects is being stepped up with new instrumentation and other facilities which will become available when the extension to the Brixham laboratory is fully fitted.



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LEVY GEE

FINANCIAL TIMES
SURVEY

While business parks have been long-established in the US, they have only recently proliferated in the UK, where 800 new parks are planned. But this surge of development is not without problems, says **Paul Cheeseright,** Property Correspondent

■ The first rush into business parks in the UK was on the west side of London and spread from there to the counties north-east and south-east of London, to the Midlands and thence to the north. The greatest development pressure has been in the south which now has the greatest problems of over-supply. Pictured above is the campus-style office and business facilities at Arlington Business Park, a 48-acre development, adjacent to the M4 at Reading, Berkshire. *Picture by Simon Margetson.*

Business Parks

The market boils over

THE RAPID spread of business parks throughout the UK has arguably been the most striking phenomenon of the surge in property activity during the second half of the 1980s.

This is not just because of the scale of development which, with hindsight, can be seen as excessive in terms of market stability. It is also because the parks represent more forcibly than any other type of property the relaxation of planning controls consequent upon the Thatcher Government's desire to lift administrative shackles away from business.

More than that, if the spread shows the response of the property industry to the changing demands of the white collar sector and the shift in the British economy to a greater emphasis on services, it also shows the property industry at its most careless.

The heady atmosphere of 1987 and 1988, when property developers drove-up land prices in the reckless expectation that the demand for their product would be perpetually strong, has given way in many cases to a gloomy appraisal – not of profit margins – but of the chances for survival. The market, so quick to rise, has boiled over.

Present difficulties though will not stop the gradual development of what is now an established type of accommodation. There have always been companies, notably in the high technology sector, which have preferred to work outside town centres in a relatively uncluttered environment.

As this taste passes to financial services companies, and business parks become increasingly attractive as locations for corporate headquarters, decentralised offices become more closely competitive with traditional town centre offices. Indeed, around towns like Bristol and Reading, the rents obtained in business park offices are higher than those in the town centres – a reversal of the usual position.

All of this slots into a well formed trend. Business parks may have proliferated only recently in the UK, but the first were set up in the US as far back as the 1940s. And the early tentative steps towards their development in the UK came in the 1970s. Yet definition has always been a problem. The property industry's well-known taste for marketing exaggeration has tended to label as a park any couple of new suburban buildings with a few trees and half a dozen car parking spaces around them.

More properly, a business park is a development on a large scale – Stockley Park, near Heathrow Airport, for example – with more than 500,000 sq.ft of office space, where the buildings are of low density and where the landscaping is extensive and the car parking plentiful. Rarely, under this definition will the building density be more than 30 per cent. At Stockley Park, Aztec West near Bristol and the Cambridge Science Park, the density runs between 21 and 29 per cent.

Such definitions, because they emphasise the quality of the working environment, are likely to prove increasingly important over the next couple of years. The development industry is moving into a testing period as it seeks a way out of the mass of over-supply. As is usually the way on the downside of any property cycle, the best buildings are let first.

It is a measure of late 1980s optimism that there are in the pipeline now, according to the figures of Applied Property Research, plans for business parks and office campus developments totalling 320m sq.ft, the equivalent of 30 years take up of space at current rates.

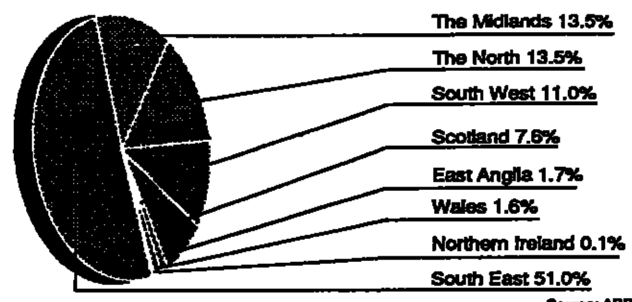
Much of this clearly will never be built. Park developers are retreating just as their retail counterparts have been doing. But, simply by taking into account park developments which are already under construction, there will be a 60 per cent increase in supply this year over 1989 to 15.7m sq.ft.

As take-up last year was 40 per cent above 1988 at around 14m sq.ft, it does not take much imagination to see that with companies revising their space needs, even the existing building will leave a nasty overhang of supplies on the market. Indeed, in some cases even now, buildings are taking six months to let.

There are two principal reasons for this. St Quentin, chartered surveyors, recently completed a survey of business park occupiers. This "highlighted the importance of business expansion for the take-up of space in business parks, and indeed in the office market of other locations. In the past two years, the surge in business park development co-incided with exceptional growth in UK output and business investment," says the report.

Regional floorspace stock

UK business parks total 64 million square feet



Source: APR

But economic forecasters are agreed that the prospects for growth in the immediate future are limited. This carries with it the consequence that demands for space will be reduced. As elsewhere in the property market, the business park sector is slowing with the economy.

The second reason is the change in the planning regulations which occurred in 1987, when business expansion plans were strong generally and when the property industry in particular was moving through a phase of euphoria, a phase when the horizon of expansion seemed without limit.

In the mid-1980s, pressure grew for a change in the planning regulations to break down the traditional division between the office use and industrial use of a building. It was pointed out that, for example, research and development activities were a bridge between the two. The demand for accommodation of mixed use – especially among high technology companies – could be more easily met if the old division could be broken down.

The 1987 change in the Use Classes Order achieved that demand. The creation of a new class, B1, which, in planning terms, denoted a building for general business use, meant that old, light industrial premises could be used for offices without recourse to a new planning permission. Some local authorities at first resisted but, broadly, the situation became more relaxed.

The effect was to give developers the chance to construct higher value offices where before they might have constructed industrial sheds. At least part of the over-supply is directly the result of the rush to what were perceived would be higher profits.

But this rush has brought in its turn a further two effects. The first interacts with the more general point about business expansion. An energetic search for sites was set off and land values were pushed sharply upwards. Believing that the demand for space would automatically ensure rising rents, some developers were led into paying land prices which in retrospect appear crazy. In recent months, land prices have fallen back, in some cases, it is suggested, by as much as 50 per cent. This can only mean that some developers are left holding land at high prices on which the planned business parks will not in the immediate future be built.

The second effect relates to the high land prices. It has distorted the market to the extent that while there is now a plethora of B1 space, there is also a shortage of sheds for industrial and warehousing space. The lower land prices now obtaining in the market may help to restore a greater degree of balance to the market.

What is going on now, therefore, is a shake-up of the market, but the degree of shudder is by no means uniform. The spread of business parks has followed the rise and fall of the property market more generally. The surge in values, which reached the zenith of the present cycle in early 1989, started in the City of London and spread outwards. The loss of vitality in the market, equally, started in the City and spread outwards: there is greater vigour now in the north than in the south.

BUSINESS PARKS 2

Company relocation triggered by congestion and rising costs

Pressures to decentralise

THE recent move by the multi-national company, Colgate-Parmolive, from the pulsating shopping hub of London's Oxford Street to the less congested environs of Guildford Business Park is a prime example of a growing trend among companies to decentralise.

Other companies which have joined the flight from London's high rents and overcrowding to a more leafy life in a business park include Fluor Daniel International, which went to *Watchmore Park in Camberley*; Pearl Assurance (to Peterborough Business Park); and Medical Sickness Annuity Life (to *Pynes Hill Business Park* in Exeter) – to name but a few.

BP Exploration and Electronic Data Systems have both announced plans to move to Stockley Park, near Heathrow. Hitachi Europe, meanwhile, is planning to decentralise to Whitebrook Park in Maidenhead.

"The number of organisations which have decentralised during 1989 and those known to be doing so in the next few years, is the largest recorded this decade," according to property specialist Jones Lang Wootton's report, *The Decentralisation of Offices from Central London.*

These findings are supported by a survey conducted by Applied Property Research (APR). This discovered that, of the 33 central London-based "movers," 19 considered that they were likely to have a requirement outside central London.

"The decentralisation is really two-fold," explains Steve Bryant of APR. "In previous years, a company would move from a town centre to another town centre, simply swapping like-for-like. Today, not only are they decentralising from London and other major cities, but trading-in town for country."

There are complex reasons why companies chooses to decentralise. Pat White, of White Bird Office Relocation Services, believes that her clients primarily see the benefits of the business park in terms of improved communications and the goods-transportation. There is also potential for cross-fertilising business ideas with neighbouring companies.

After years of dodging city traffic wardens and wheel-clampers, many companies also put improved car-parking high on their list of business park attractions. In Jones Lang Wootton's survey, *High Growth Business Sectors in the South East*, 86 per cent of those surveyed put car-parking as the top attraction with 68 per cent wanting motorway links and 64 per cent wanting airport links.

Many companies also regard decentralisation as an opportunity to reduce labour. Some Civil Service and private sector moves refer to the number of "jobs moving" – not people. These moves, claims APR, effectively allow a cut in "establishment" numbers.

According to Philip Ross of Business Design Group, the ticking of the demographic time bomb has its part to play in persuading clients to move out – "by the time 1995 arrives, women are tipped to make up 45 per cent of the labour force," says Mr Ross.

"We find that companies looking to this potential pool of labour will consider a business park, especially on the outskirts of a town, a far more attractive proposition for the time-conscious mother who will dread the idea of trudging across a city centre first thing in the morning."

So far, many companies have demonstrated a preference to decentralise within their home region. More often than not, this has been within the south-east and south-west. But according to the APR report, *Living With B1: UK Business Parks 1979 to 1999*, the problem of UK skill-shortages in the next five years will affect the south-east more than any other area. This will force an increasing number of companies to seek space and labour further afield.

The same report also highlights a trend towards "long-distance" decentralisation, in particular to regions in the north of England.

Despite the growing number of players on the business park scene, whether they be private developers or local authorities keen to draw the decentralisers into their geographical web, there are those who query whether this trend could cause irreparable damage to town centres in the long run.

Some environmental groups such as Friends of the Earth take the view that there should be more thought given by developers to *where* business parks are located. It would like to see business parks linked into the public transport infrastructure for the town or city, therefore keeping valuable jobs within the civic boundaries and for the local population.

On a more commercial note, the Confederation for British Industry (CBI) has also expressed a note of disquiet over the trend towards decentralisation. Sue Shortland of the CBI Employee Relocation Council, says: "With 1992 approaching and considerable foreign investment from Europe, it could give investors a very bad impression of central London when all these household names are seen to be moving out – not in."

None of this, however, will deter the business park bandwagon from rolling on and on.

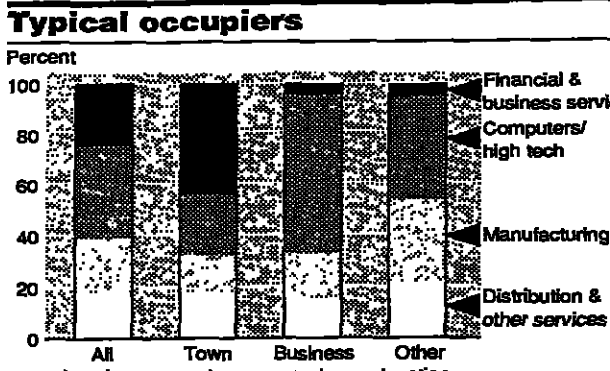
Wendy Smith

Types of locations considered – occupiers relocating since 1981

Types of locations considered	Financial and business services (%)	Computer/high technology industries (%)	Manufacturing, distribution other services (%)	Floorspace: 0-50,000 sq.ft.	Floorspace: more than 50,000 sq.ft	Mainly office users (%)	All
Only in a town centre	63	15	19	37	12	33	28
Only outside a town centre	13	31	24	18	37	17	24
To either of the above	17	44	43	34	42	39	37
Don't know / no answer	7	11	14	11	9	12	11

Source: St. Quentin

Typical occupiers




A leafy venue at Riverside Business Park, Irvine, on the West coast of Scotland

Design and layout

Demand for high quality

THE high-tech vernacular of much business park building design in Britain today is due to the science park origins of the business park *itself*.

The world's first science park was created on the West Coast of America in the late 1940s by Stanford University and the founders of Hewlett Packard. The concept enabled the best scientific brains to continue to work in an attractive, green campus setting while the universities exploited the commercial potential of their land and corporations tapped a rich vein of technological talent.

The same thinking was behind the first science parks established in Britain by Trinity College, Cambridge and Herriot-Watt University in the early 1970s. The design of these developments reflected the high tech nature of the activities on site.

But since that time, the science park concept has evolved into a more general one in which companies of all kinds decentralise from expensive, congested city centres to privately developed business and office parks.

The scientific and educational element of the original science park has gradually been diluted, but in a lot of cases new business parks still bear the visual vestiges of high technology research and development in their design and layout.

This, of course, is not entirely an historical accident because what potential tenants are looking for nowadays is high performance, low maintenance space with a clean, modern, consistent, progressive image. Designers recognise that many physical attributes of the science park are appropriate to this demand, while developers are well aware that there is now a glut of business park space on offer and design and environmental quality must be paramount in the campaign to attract companies.

Such is the amount of new business park development that a report by Applied Property Research estimates that there are now nearly 800 schemes in Britain with one new one coming forward each week. During the past decade 45,000 acres – roughly half the size of the Isle of Wight – has been given over to business park development.

"If new parks aren't well-designed, well-managed and well-located, they will fail," says architect Michael Lowe, a director of Arup Associates, master-planner for Stockley Park at Heathrow.

Stockley Park, developed by Stanhope Properties, has been widely praised for its design standards. Its first phase of 1.5m sq ft has now been completed, 1.3m sq ft of which has already been occupied or is about to be occupied.

In addition to its master planning role, Arup has also designed 12 buildings on the site. Seven others have been contributed by other architects, including one striking-looking edifice by Norman Foster."The quality of the architecture at Stockley Park is a quantum leap forward for business parks," says Peter Drummond, an urban planner with Building Design Group who has been involved in a number of parks, including Thames Valley Park at Reading, Metroplex at Salford, two in Scotland and one at Calais.

Michael Lowe of Arup Associates believes it is vital to "avoid an architectural zoo on a business park. There's a great need to co-ordinate styles with a design control manual. This is a community which must hang together economically and visually".

The problem of consistency in building style is exacerbated by the trend highlighted by Applied Property Research towards using land for design-and-build corporate headquarters rather than for speculative office space to be let to tenants.

Lowe says this emphasis on companies commissioning their own buildings hasn't been apparent at Stockley Park, but BDP's Peter Drummond remarks that on a number of schemes his practice will do the master-planning and infrastructure, and leave companies to negotiate with developers over plots of land on a freehold basis.

"Tenants want the flexibility to design their own building," he says, "but we set out design guidelines to avoid visual anarchy. A developer can always refer an occupier's proposals back to the master planner."

Drummond believes that a company's willingness to design its own headquarters is linked to its size, status and degree of specialism: "The more upmarket you go, the greater the likelihood the company will want a one-off building because of specialist needs." Architect Chris Hacking, a director of Geoffrey Reid Associates, agrees – "many big companies want to develop their own buildings because they have sophisticated building maintenance and management systems," he says. "It is the smaller and newer firms who tend to go into 'spec' buildings, but there are no hard and fast rules."

The important thing is to give business park tenants a choice. The same is true of whether to fully fit out the interiors with raised floors, ceilings, decor and lighting in advance, or whether to simply provide "shell and core" and let them do their own thing internally. Practice varies within the industry.

Arup's Michael Lowe says Stanhope's agreed policy at Stockley Park has been to fit out only a few showpiece floors as a demonstration. If the tenant is happy on inspection, then the full fit-out on his space will proceed. If not, then a rebate on rent is paid so the tenant can go his own way. However, Chris Hacking of Geoffrey Reid says that in his experience a fully-fitted space that people can move into immediately is a greater letting incentive than shell and core.

Like Arup Associates, Geoffrey Reid Associates has considerable experience of designing business parks. Its schemes include Status Park at Heathrow, Oaklands 42 at Tamworth, Cordwallis Park at Maidenhead and Peregrine Business Park at High Wycombe.

Chris Hacking has done extensive research into the genre to pinpoint tenants' requirements. He says there are four essentials: "A building that doesn't leak; a park with a strong corporate identity; a site with a closeness to the labour market; and a physical flexibility so that tenants can expand without having to leave the business park."

Interwoven with these issues are a host of other requirements. Public spaces such as lobbies and the general environment are particular concerns. Hacking says that "quiet" areas and water features should be designed in, and construction work screened and phased in such a way that tenants already in situ are not disturbed by on-going building development.

Analysis of existing parks shows that a high quality landscape can be achieved only with building density of less than 30 per cent in a landscape. Hacking says it is no surprise that the best-known parks, including Aztec West at Bristol, Stockley and Cambridge Science Park, have between 21 and 29 per cent density.

Jeremy Myerson


Widely-praised: Stockley Park, Hillingdon, near Heathrow

BUSINESS PARKS 3

David Lawson examines supply and demand in the UK

More than 800 parks planned

COUNTRYSIDE campaigners should stay away from the latest audits of business park developments in the UK if they want to retain their sanity. But a few developers would do well to dip into the figures before fixing up any more appointments with their bank managers.

There are now more than 800 business parks started or planned – and 170 of those have a potential for more than 1m sq ft each, according to Andy King of Applied Property Research.

Just when the property market is sliding into recession, a massive 282m sq ft is in the pipeline – more than four times the existing stock of space. This surge of development is part of an accelerating trend towards creation of high-tech industrial space on business parks since developers began to import US ideas in the 1980s.

Planning changes which dissolved barriers between office and industrial uses in 1987 kicked activity into a higher gear, however. The new rules gave developers chance to exploit moves out of town centres during the economic boom by switching attention high-quality offices.

If campus schemes are added to existing park proposals, APR calculates that supply of office-quality space on greenfield sites alone could be in the order of 320m sq ft – which would constitute 30 years' worth of supply at current rates of take-up.

"Obviously, not all schemes will go ahead," says Mr King. "But most 1990 space is so far advanced that it will have to be completed." That means a massive 61 per cent increase in supply to 15.7m sq ft this year – and 11m sq ft of that qualifies as office space.

Developers have been able to live with these telephone-number projections because demand has kept pace with supply. In the 1980s more than 35m sq ft was let or sold and take-up levels have doubled since 1987, says APR. But nerves began to stretch last year as the economy faltered and buildings sat empty for up to six months.

"A surge in the last half of 1989, particularly for larger units, brought relief to many developers," says Mr King.

In the end, take-up jumped 40 per cent to 14m sq ft over the 12 months. If current activity continues, absorption should reach 12m sq ft in 1990, says APR. The slowdown will accelerate a weeding-out of sub-standard developments which was bound to happen sooner or later. In the south-east alone, only half the 12.4m sq ft of business space likely to become available over the next four years will be good enough to compete with town-centre property, says Roger Saper of Jones Lang Wootton.

In the 1980s, over 35m sq ft of space was let or sold and take-up levels have doubled since 1987

Every developer and agent believes their business park will be among the elite, but many will be disappointed – and a two-tier market seems inevitable. The best schemes will let quickly to tenants fleeing the congestion, obsolete buildings and high business rates of town centres.

But that will leave an underclass of poorly-located or badly-designed parks struggling to achieve much lower rents to recompense for some ridiculous prices paid for sites during the hysteria of the late-1980s boom.

Office-quality buildings will not necessarily be the guarantee of success many expected, however, because so many have been built as developers and investors scrambled for maximum returns.

"It is the quality sector that will see extended void periods in 1990," says Mr King. Offices make up more than two-thirds of the space still available this year. Much will depend on the fortunes of potential business park tenants. Finance and business services have floated to the top of the list by taking 1.6m sq ft last year and just edging above the computer companies more associated with 1980s high-tech property. The switch to office development suits companies looking to decentralise routine administrative activities, but a sinking economy may soon weaken this flow.

APR is looking more towards pharmaceutical, energy, broadcasting and telecommunications companies to provide the main role in the next critical years. Cost-saving appears less important than reorganisation for these companies.

Tony Rowe of Weatherall Green & Smith points out that rents are already higher in some parks around Bristol, Reading, west London and Luton than in the town centres. This will become common, he says, although parks relegated to the second tier will settle at rents around 20 per cent lower.

One sign of weakness among many business parks is that major companies are opting to find their own sites to build new headquarters. Oil companies such as Shell and Esso have already moved along this path and some pharmaceutical groups may follow.

Only those parks in the best locations with large sites to spare will be able to compete in a buyers' market where land prices have tumbled by more than 50 per cent since the boom in some areas of the south-east.

Relocation has played much less of a role than might be expected in the past. Most moves onto business parks are by local companies and only around a quarter could be considered true relocations, says APR. But Tony Rowe expects a lot more movement out of London onto office parks in future, so at least some of the potential current overhang could be chipped away. Barclays Bank has recently shifted some operations to a Coventry business park. Perhaps more significantly it is also planning a move out of Northampton onto a fringe development.

"Life does exist away from the south-east," says Mr Rowe. The "space overhang" may persuade developers that opportunities still exist further out.

The future of business parks seems to lie in two opposite, yet connected directions. The overhang of potential new space is almost academic, as much will never leave the drawing board.

In its place could come a "fourth generation" of giants more like new communities than business parks, predicts Andy King. The 600-acre King's Hill scheme in Kent may be the forerunner of a handful of similar comprehensive regional developments geared as much to health and environmental factors as to economics.

The whole development ethos is being thrown into the melting pot, right down to a long-overdue reappraisal of lease structures and workers' health. Inevitably, the developer, Rouse & Associates, is American.

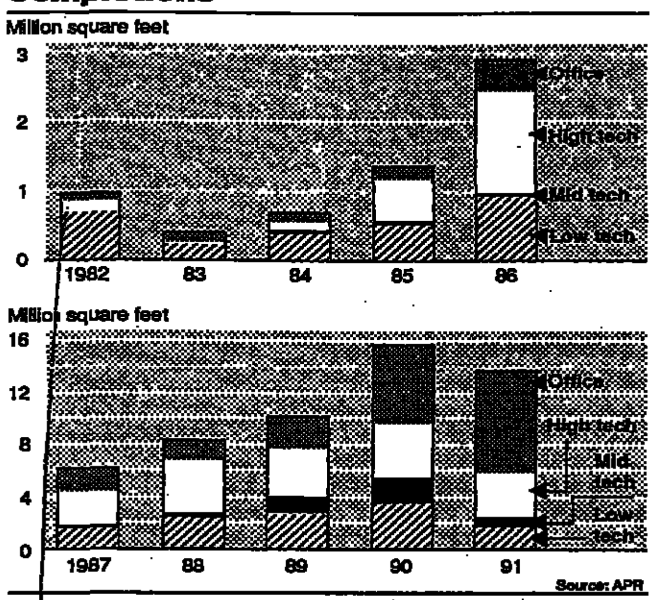
Another strand which may pull developers out of the hole they have dug seems to lead backwards rather than into the future.

Industry and warehousing provided the foundation for business parks before they evolved through painted sheds and glossy high-tech to office parks. Tony Rowe suggests it may be time to turn the wheel back. There are few parks developed solely for industry and warehousing, he says.

Yet employers would welcome such an integrated, high-quality approach. They may even be forced along this road by demographic pressures, as they will not be able to attract scarce workers to the poor conditions in most industrial estates.

In fact, the strands intertwine, because "super-parks" such as King's Hill are likely to contain both industrial and office parks. Sheds may finally lose their stigma when set in landscaped parks as impressive as their glossy office counterparts.

Completions



Conflicting views over new developments

Planners take tough line

PLANNERS in the UK are not generally the greatest fans of business parks. It is an understandable aversion, considering that the biggest boost to development sprang from a massive dilution of planning powers.

Three years ago the Government dissolved barriers between industrial and office use, creating that epitome of property jargon, the "B1" building. This is the ideal premises for a business park – flexible in use, appealing to demand for out-of-town office/industrial space and fashionably attractive to investors.

Developers went wild, often switching existing industrial schemes to B1 and producing a flood of potential new development. Many planners inevitably dug in their heels, reluctant to give up hard-win powers easily.

They thought up ingenious "amenity tests" to prove that schemes could not reasonably sit in residential areas, as the rules demanded. Developments were delayed for years by wrangling and appeals. But the irresistible force of voracious developer, backed by government edict, eventually wore down the formerly immovable object of local reluctance.

To some extent, private sector consultants are sympathetic to the plight of local authorities, says Stewart Ross of planning consultants Montague Evans – "the advent of B1 no longer enables them to safeguard premises and land for employment suited to the skills and needs of local people."

Others point to a Luddite undercurrent – "planners have tended to resist the flexibility introduced by B1 on employment rather than environmental grounds," says Diana May, a partner at Jones Lang Wootton. "Their arguments in favour of traditional industrial space have been based on maintaining a balance in the range of employment uses. But this ignores change. Business parks are a reflection, rather than a cause, of the changing needs of industry."

Developers often press the case for accepting economic pressures in the real world – "planners have every right to dig in their heels, but they should be aware of competition to attract manufacturing companies to the Continent," says Malcolm Wooff of Ossory Estates. "We can't afford to live by outdated hard-and-fast rules. Technology and lifestyles change too quickly."

The favourite hunting ground for UK business park developers remains the south-east region, says DAVID LAWSON

Not all planners have chosen to fight merely over the type of buildings. In areas like Berkshire and Surrey they have taken the view that any sort of development in this overheated part of the country is unwanted. Others have fought green belt intrusion – an almost inevitable confrontation considering that by their nature, business parks are aimed at large greenfield sites.

Spelthorne Council, for instance, became one of the most vociferous fighters, with a number of refusals based on a "rather unusual" interpretation of amenity tests, says Mr Ross.

Another epic battle in Surrey went as far as the High Court. Trafalgar House Brooklands won the right to exercise a 40-year-old planning permission and continue redevelopment of the old aircraft works at Weybridge onto another 100 acres around the central runway.

But developers have not had to fight for every inch of space, even in these high-restraint areas. THB attaches as much importance to a previous agreement with the same local planners for 750,000 sq ft of B1 plus housing and a superstore.

"Prior to this, no true business park development on this scale had been allowed in this country," says David Brown, THB managing director.

Nor are planners universally opposed to business parks. In some parts of the country fighting has been directed at getting business parks in rather than keeping them out. Local authorities around Manchester, and in Coventry, Newcastle and Stirling have encouraged development as a diversification from declining traditional manufacturing, says Mike Straw of Richard Ellis. Meanwhile, towns like Chester, Edinburgh and Exeter see fringe parks as a way of relieving town-centre congestion.

The favourite hunting ground for developers remains in the south-east, however. Battles have intensified with the drift towards pure office parks, as planners realise they are losing their last vestige of semi-industrial activity.

Stripped of most powers to object, they are concentrating on attaching conditions to planning permissions – often with just as little success.

"The Secretary of State will only restrict freedoms of the B1 class on overriding material considerations – particularly traffic generation and environmental impact," says Mr Straw. This has led to hard bargaining on suitable Section 52 agreements between planners and developers over road and environment improvements. Ms May sees an irony here, as business parks were conceived to blend with the environment through extensive landscaping. They would not work otherwise.

A more fundamental irony, however, is that developers may have been too successful in their planning battles. There is now a hefty over-supply of business space, particularly pure offices in the south-east, and many schemes are no longer expected to get off the drawing board.

Some planners are being urged to turn again with the market winds. Mr Wooff, for instance, says Milton Keynes Development Corporation has grasped the nettle by allowing industrial space on Ossory's 125,000 sq ft Denbigh West park to help compensate for a flood of B1 space.

Planners who "dare to be different" will be the winners, he says, which must bring a wry smile to the faces of those wearied by fighting to preserve industrial development against the tide of offices.

Consultants are now investigating the impact of the planning changes for the government, and ministers may leap on any findings which could be used as an excuse to defuse problems in politically-sensitive green belt areas.

Private Bills are also passing surprisingly easily through Parliament which will give planners back the power to restrict schemes around the fringes of inner London. But the economy may prove to be the best ally for planners still hoping to either contain development or retain a residue of industrial space. That will only last until the next boom, however – or the next government.

THE *FRENCH* financier's fluently modulated English began to rise embarrassingly above the polite lunch-party *hubub*.

"No business parks?" he said *indignantly*. "Of course we have business parks. Go and *look around* Paris and Nice." The slur dismissed, he turned *to speculate* with a less ignorant neighbour over new *opportunities in* Eastern Europe.

Language differences hide many similar traps as Europe *drifts towards closer economic* unity. Learning the words are not enough: differences of meaning are crucial to understanding. France has no business parks within the strict definitions of the term – but nor has has any other mainland European country. The UK boasts only a handful, suffering from the same confusion even within the same language.

The true business park is a step upwards in commercial property evolution. It is large – at least 500,000 sq ft – giving scope for a range of high-quality buildings suitable for an equally wide variety of uses. It will be expensive to build and occupy, as up to 75 per cent of the land will be landscaped rather than producing rents.

Parking provision will be generous, in keeping with location near major roads and airports. Leisure, shops and hotels will be a significant part of this self-contained business community, if it wishes to draw tenants from town centres.

Europe lags far behind North America, where the business park was born. Britain's science parks, French "technopoles" and Spain's technology *centres, all fall short of the target* because they concentrate *on a tightly-knit group of pharmaceutical*, research and engineering businesses.

Office campuses around London, Hamburg and Amsterdam are often no more than a bolt-hole for owner-occupiers forced out of the cramped city centre. The closest approximation to true parks are the clusters of brightly-painted "high-tech" *buildings which have sprung* up across Europe to satisfy demand for combined office/research/manufacturing space, but most have some fundamental factor missing.

"There is enormous demand for proper business parks, but they are very rare," says Dr Wilfred Vossen of Brussels-based Plant Location International, *which keeps records on* thousands of sites and buildings across Europe.

The European dimension

Definitions are blurred

European business park development lags far behind North America, where the idea was born, says DAVID LAWSON

He places much of the blame on planners, *who have yet to* catch up with modern property *demands. The UK's lead over* the rest of Europe comes partly *from the erosion* of barriers between office and industrial buildings through the 1980s.

Continental cities still suffer from inflexible zoning rules which restrict developers to more conventional industrial estates and office parks and irritate many Japanese and US companies flocking to find a European foothold before 1992.

Dow Corning favoured moving to a park from its existing *niche in central Brussels. But* PLI – which was recently taken over by Price Waterhouse – had to make do with an individual site where the company could develop its own 500,000 sq ft building.

Other historic European capitals with protected centres and strict zoning spawn similar fringe office campuses *rather than true* business parks.

Madrid and Barcelona are bursting at the seams following *the growth sparked by* Spain joining the EC, but high *plot ratios demanded by planners* make the figures hard to stack up, says John Harding of Higgs & Hill. An old hand among UK hopefuls scouring Europe for potential deals, he says the British have to come to terms with local differences *if they want to make their* mark.

For instance, Higgs & Hill has spent almost 20 years developing 2.5m sq ft of high-tech space in France and never installed air conditioning and raised floors – supposedly an essential pre-requisite for the business park. Air-conditioning is usually rejected as an expensive luxury by Continentals away from the oppressive heat of the South. And even newcomers seem to adjust to local *standards*.

"We have recently let six *high-tech buildings at Paris* Nord to Japanese, Americans and Germans. Not one asked for air-conditioning nor a raised floor," he says.

Deviation from "true" business parks, therefore, may be purely academic. If customers *settle for* less, why *aim for* more?

Roger Saper of Jones Lang Wootton says UK developers will not be able to export their product abroad because planners and occupiers have such different demands. Perhaps this is why leading companies such as Slough and Waterglade have gone with the flow of the market by attacking Hamburg with suburban office campuses rather than *purer forms of* business park. The city is desperately short of central office space.

Britain's largest business park developer, Arlington Securities, *has also plumped* for a 40-acre office scheme in a joint venture with Higgs & Hill outside Paris, another city short of prime space.

Domestic developers feel they have the measure of their markets without UK companies coming in to teach them lessons. Amsterdam, for instance, is already surrounded by "parks" designed for office overspill and high-tech office/*warehousing such as Zadelhoff's* Park West and Wilma Vastgoed's Alpha centre.

But Schipol Area Development Corporation limits its role to airport-related tenants and potential tenants would be hard-pressed to find the two-storey, multiple-use space many now demand.

The French financier would point to business parks north and east of Paris but these are *more a mix of everything from* high-tech *infill to straightforward* sheds.

London & Edinburgh Trust exported its successful Waterside Park development from the UK to an infill site near Charles de Gaulle aiport – suitably renaming the 125,000 sq ft of two-storey, mixed-use, deep-space buildings Waterside Parc and *quickly let 25 per* cent. But while much of the *scheme remains empty*, question marks remain about *whether the scheme is too much* of a business park for this market or not enough of one to act as a powerful magnet.

France's technopoles have proved very successful at attracting big-name tenants.

"They are the best initiative in Europe," says Dr Vossen. "It always amazes me why there have been so few copies."

The most prominent, at *Sophia Antipolis near Nice*, involves three local authorities which have joined forces to produce a complex of research and manufacturing buildings, schools, housing, restaurants and banks.

But John Harding, who is planning a more conventional 600,000 sq ft high-tech park for Higgs & Hill nearby, says such large schemes cannot have the identity and close control over *layout that a single developer* provides. They pull in the jobs, however, which is the main aim of French local authorities who often control matters by holding the majority share in joint ventures with the private sector.

At Montpellier, in the south of France, there is a successful *core of five technopoles which* provide a supportive network *for mainly technology-based* companies. Montpellier, which *describes itself* as "the southern capital of Europe," *also claims to* be the fastest-growing city in France, with *18,000 new jobs* created there in the last decade. There are *three universities* and six leading colleges in the area.

Spain probably *has the best* potential for exporting UK-style business parks, *says* Roger Saper. Plentiful land and *lack of modern* development means the market is set for a *quantum* leap forward, and developers such as Arlington are already weighing up the prospects.

Dr Vossen points to a proposal in Andalusia which could break new boundaries through integrated development of leisure and business facilities. Again planners hold the key to success or failure, however. Zoning restrictions demanding high site cover mean the figures may not stack up for a business park, says Mr Harding.

The major contribution UK developers can make in mainland Europe is not, therefore, trying to transplant their ideals into foreign soils. They *should concentrate* on organising and financing schemes which meet local markets. Their main advantage lies in the relative immaturity of the Continental industry, which lacks the sophisticated entrepreneurial skills necessary to restructure business space over the next decade.

Regional case study: business park development in Wales

New interest from private sector

AT THE start of this month, a report on Milford Haven, at the far western tip of South Wales, suggested that the regeneration *of the town should include* a business park. The suggestion is *symptomatic* of the confidence now felt throughout South Wales that private money will be available for business-park developments.

Four years ago it was difficult to get either the private investor or the private developer to consider Wales as a sensible place in which to channel their energies and money. *Today, the scene has* changed radically.

A *group of growing young* companies, largely Welsh based like the Bailey Group in Cardiff, the BJ Group and EZ Developments in Swansea, and Redrow in North Wales, are active around the principality and they have been joined by English-based concerns such as Northern Workspace from Lancashire.

In Cardiff, Postel, the giant Post Office pension fund, has entered *the field*.

"It was understandable, if unfortunate," says Mr Phil Head, property director of the Welsh Development Agency, "that they should have been wary about Wales up till then.

"For years, Wales was a base for heavy manufacturing industry. There was little scope for imaginative commercial building. Then, at the time of the steel closures of the early 1980s, a rash of building put up to mop up unemployment seriously *deflated the return on* property.

"Over-supply has, however, become a thing of the past. Demand for offices as well as factories has boomed and we do not have enough properties to meet our needs. The result has been an appreciation in rental values to the point where it has become economic and attractive for the private developer to consider building *programmes*."

The result can be seen most clearly along *the M4 motorway* corridor in South Wales and the A55 expressway across the top of North Wales.

In Newport, one of Richard Rogers' characteristic designs proclaims the Inmos plant alongside the headquarters of TSB trust division's insurance arm, both less than 15 miles from the Severn Bridge.

In North Wales, the St David's Park, developed by Redrow, *is to have housing and* leisure interests as well as a hotel and offices set in 137 acres of parkland only a few miles from Chester.

Much of the business-park developments of the last four years have been led by the Welsh Development Agency, but as Redrow in North Wales and the Bailey Group around Cardiff show the private investor is now doing more than *just dipping* a toe in the water.

Alongside the WDA's Duf*fryn park in Newport* is the privately-owned Gwent Business Park and further west, on the outskirts of Neath, is the Neath Abbey Business Park.

"Our strategy," says Mr Head, "is to create the conditions in which industry can flourish and the private investor encouraged."

While there will be parts of Wales where the agency will continue, for at least the for*seeable future, to have to be* the lead player there are increasingly areas where it can withdraw in favour of the private sector or where it can play a role jointly with the private sector.

One such area is the St Mellons Business Park in Cardiff. There, the agency undertook the first stage of an important *scheme, it entered into* partnership with Bailey for the second stage and has been pleased to see Bailey go ahead on its own with the third stage.

In areas such as Cardiff, the agency has become what it describes as a "positive enabler", showing the market what is possible and then leaving the developer-cum-investor *to get on with it*.

Mr Head admits this will not be possible *throughout* Wales. Development is a tender flower and the developer has to be encouraged gently all the while. So far it has been possi*ble to attract him as far west* as Bridgend, in South Wales, *and St Asaph in North Wales*, with a small pocket of interest in Swansea.

To get the market interested further west will need a lot more massaging of corporate plans, but Mr Head is sufficiently encouraged by what has happened so far to believe that nothing is impossible – "we would look to prove to the market *that* we have products and services that could interest *them and then encourage third* parties to provide those services in the *first* instance." What happens in Milford Haven will be instructive.

The "massaging" of the private sector can be particularly seen from the WDA's association with Pilkington in the development of land owned by the company at St Asaph. This is expected to be opened by the autumn and is considered a sort of "bridge" between an industrial estate and office park.

Other joint schemes in North *Wales include the Deeside* industrial park, in Clwyd, where one of the largest business parks in Britain, encompassing 1,000 acres, is being built, and Parc Menai, at Bangor, further west, a much smaller site of only 30 acres where serviced plots for bespoke projects and a building programme of 20,000sq ft is envisaged.

There are probably 40 major *sites in Wales that can accommodate* business parks and the *agency's aim is to bring* in the major funds to take part in the development. Even so, there is need to increase the supply if the growing prosperity in Wales of recent years is to be sustained.

Anthony Moreton

FT LAW REPORTS

Case goes back to arbitrators

INDIAN OIL CORPORATION LTD v COASTAL (BERMUDA) LTD
Queen's Bench Division (Commercial Court):
Mr Justice Evans:
May 2 1990

THE COURT'S power to remit an award to arbitrators is an unqualified discretion which it should exercise only when it would be unjust not to do so. And where the respondent may have been unjustly held liable on the claim because his defence, though apperent from the evidence, was unpleaded, the court may remit the award for further findings, even though his representative at the hearing refused the arbitrators' offer of leave to amend the pleadings.

Mr Justice Evans so held when allowing an application by sellers of oil, Indian Oil Corporation Ltd, to remit an award made in favour of the buyers, Coastal (Bermuda) Ltd, to three arbitrators on a claim arising out of delayed delivery.

HIS LORDSHIP said that under a contract for sale of 1.5m tonnes of Bombay high-grade oil f.o.b. between September 1 1984 and March 31 1985, the buyers nominated carrying vessels and established laytime.

For five voyages the sellers failed to complete loading within the laytime period.

That meant the buyers incurred demurrage liability towards the shipowners and, also, because of the rising market, became liable to pay a greater price for the oil shipped.

An agreement regarding demurrage was reached between buyers and sellers, followed by payments by the sellers. The arbitrators found against the sellers on three other issues.

The fourth issue was whether any claim that the buyers might have had against the sellers was settled in August 1985.

The arbitrators' reasons recorded that pleadings were served, and that the scope of the defence as pleaded was limited to an allegation that "at a meeting on August 21 1985 an oral agreement was concluded under which the buyers expressly agreed to abandon all claims . . . against the sellers arising out of late delivery."

They found that no such express agreement was made.

By paragraph 9 of their reasons they stated that although they had given the sellers opportunities to consider whether the defence might be formulated in a less restricted way, their representatives chose to adhere to the case as originally pleaded.

"In particular," the arbitrators said, "there was no application to broaden the ambit of their case, for example, by alleging an agreement partly oral and partly by conduct, or by seeking to rely on implied terms or by raising issues such as waiver or estoppel."

By a rider one arbitrator recorded his regret that the sellers had not broadened the scope of their case along the lines touched on in paragraph 9. The rider identified the kind of findings of fact which the evidence tended to support and which the arbitrators might have made if they had thought it necessary to go beyond their actual findings. Those facts were that the buyers "intended to create a clear impression in the minds of the sellers" that other claims would not be pressed if the demurrage claims were settled.

The arbitrators found against the sellers and awarded the buyers $4.8m.

The sellers now applied for an order remitting the award to the arbitrators pursuant to the court's power under section 22(1) of the Arbitration Act 1950.

They alleged that the arbitrators misconducted themselves in a "technical" way (to emphasise that there was no criticism of them personally); or, alternatively, that the act gave the court a general discretionary power which ought to be exercised in favour of making an order for remission.

The court's impression was that the award should be remitted.

There was a range of possible uses for pleadings in a commercial arbitration. At most they would have the same status as in *Commercial Court* litigation. Assuming they had that status in the present arbitration, there was no strict requirement that issues of law as distinct from material facts should be pleaded, except for some particular purpose, for example to define a preliminary issue. Where material facts had been pleaded or admitted in evidence, the court should give judgment in accordance with the legal consequences of those facts, whether expressly pleaded or not.

The evidence before the tribunal might have supported findings of fact legally relevant to one of the issues. Had it not been for counsel's disclaimer of leave to amend, the tribunal should not have declined to decide the issue on the ground of absence of relevant pleading.

Faced with his refusal to seek leave to amend, the course adopted by the tribunal was not the only one open to it. It could have made findings of fact relevant to proper legal determination of the issue, while reciting its reason for not deciding the issue on that basis.

If it had done that, the question for the court would have been whether counsel's refusal to take a point at the hearing prevented the sellers from relying on it in subsequent court proceedings.

The nature of the defence was that the buyers knowingly led the sellers to believe the claims would not be pursued. The defence might fail on the facts – if the tribunal made findings which proved insufficient in law.

But in the absence of any findings it was speculative whether the sellers were truly liable or not.

It they were liable, the buyers could lose nothing which could not be compensated in costs.

The statutory power of remission under section 22(1) was discretionary and was not subject to any limits. Some authorities supported the view that the power might be exercised whenever justice demanded; others that the circumstances must fall within one of a number of categories recognised in past judgments.

The power should not be exercised unless failure to exercise it would or might cause injustice to the applicant; but at the same time it was of overriding importance that finality of awards should be preserved. Those two factors were not inconsistent. If either was to prevail, it should be *the requirement of justice*.

Justice had to be applied in the present context between two parties who had agreed their dispute should be resolved by arbitration and that the award should be final, but on the basis that the procedures would be regulated by law.

The court had an unqualified discretion to remit the award to the tribunal under section 22. If it exercised the power only in circumstances when it would be unjust not to do so, that was not an uncovenanted nor an unacceptable restriction on the agreed finality of the award.

In *The Montan [1985] 1 Lloyd's Rep 189* Sir John Donaldson MR said that section 22 "provides the ultimate safety net whereby injustice can be prevented, but it . . . cannot be used merely to enable the arbitrators to correct errors of judgment . . . or to have second thoughts, even if they would be better thoughts." Sir Roger Ormrod said the section preserved the power to order remission "if the interests of justice demanded and the circumstances permitted."

The court agreed with those descriptions of the section 22 power, and was probably bound by them.

It would be unusual if the unqualified statutory discretion was limited by decisions in previous cases, binding precedent apart; and it would be surprising if the statutory power was so encrusted by judicial statements that it could not be exercised when justice so required.

The court dissented from the view that there was only power to order remission on grounds in recognised categories.

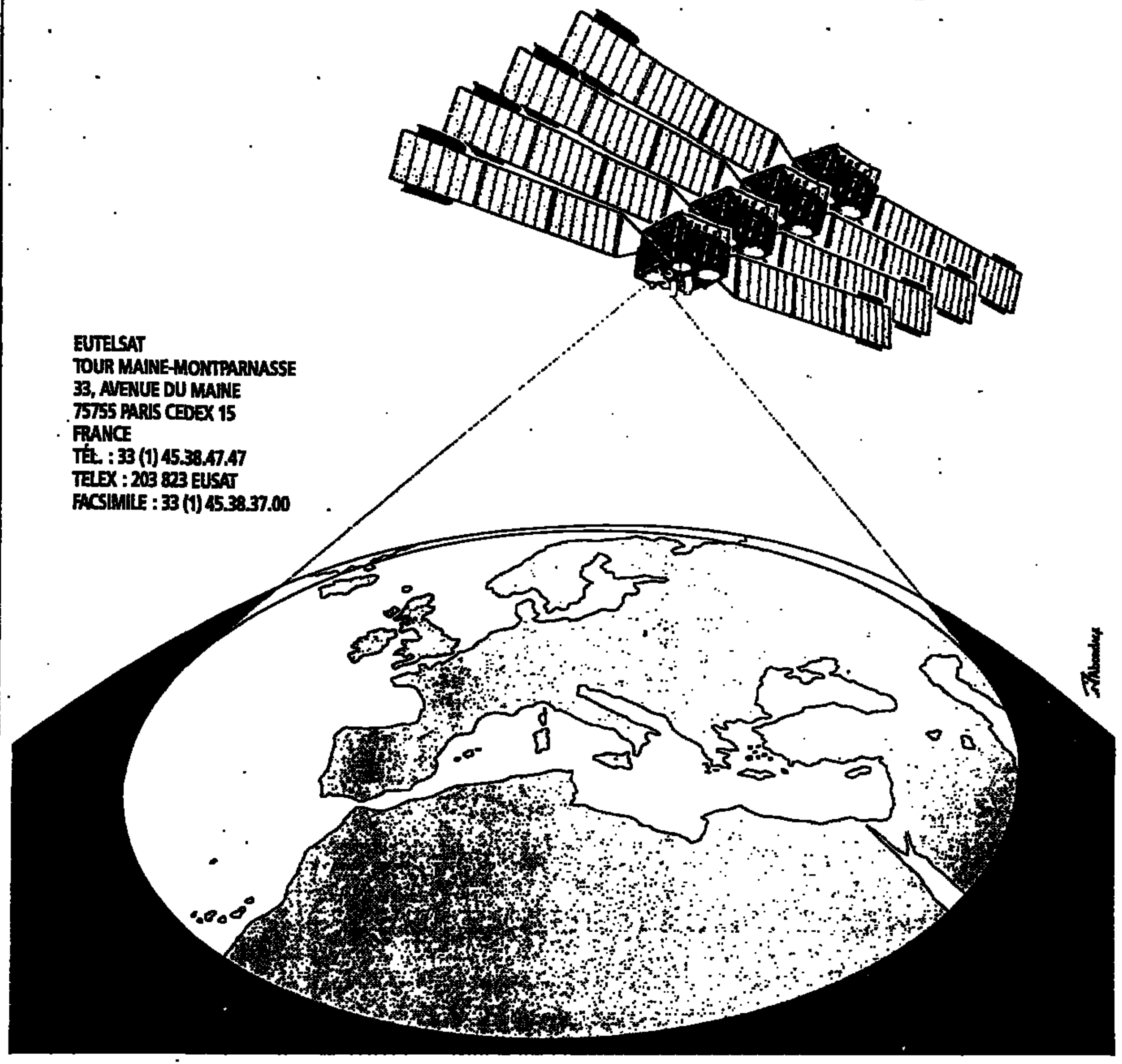
The conclusions drawn from the authorities were that power to remit an award under section 22 (1) could not be exercised on the sole ground that the arbitrators had reached a wrong conclusion, because that would impinge on the agreed finality of the award; and (2) the power could and should be exercised when there was otherwise the likelihood of a substantial miscarriage of justice, either because the arbitration had been mishandled or there had been some other procedural mishap, even one due to the fault of the party seeking remission or his representative.

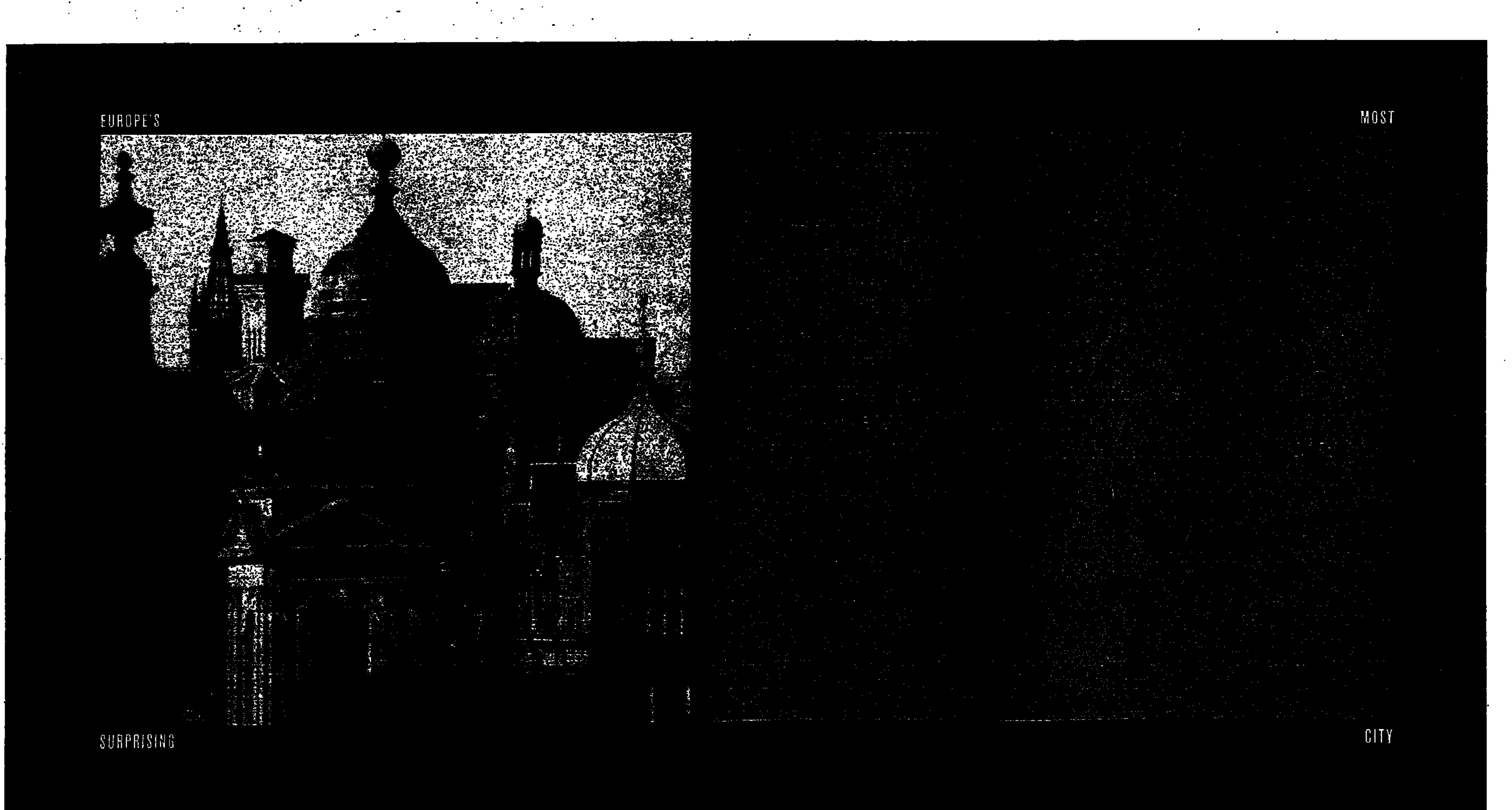
If the evidence before the arbitrators disclosed facts which established a defence to the claim, but they failed to take account of that defence because the legal issues were not correctly formulated in the sellers' pleadings, there had been an injustice to the sellers which could be remedied by remitting the award under section 22.

There was power to order remission, and the order should be made.

For the sellers: Michael Beloff QC and Angus Glennie (Zaiwalla & Co) - (who were not the representatives in the arbitration)
For the buyers: David Steel QC and Michael Swainston (Horrocks & Co)

Rachel Davies
Barrister





Sky is the limit for prices in Paris

By Paul Cheeseright

THE Paris office market, heated and active, bears an uncanny resemblance to the City of London market in the heady days before the equity market crash of October 1987. The sky seems the limit for rents and prices but there is the odd cautionary voice noting that, in a couple of years or so, supply and demand will be in better balance.

Both Paris now and the City earlier have been forced to respond to the rising requirement for space from an increasingly demanding financial community.

Just as the City planners sought to push development out of the historic heart – and indeed the Westminster planners seek to maintain intact the plethora of listed buildings – so the Paris planners have a very strict view of what is acceptable development and what is not.

But the Paris office stock is even more aged than that of central London. Jones Lang Wootton, chartered surveyors, has calculated that only 10 per cent of the space in central Paris has been built since the end of the Second World War, and in wider Paris just 20 per cent has been built since 1975.

In central London, in comparison, 45 per cent of the office space dates from before the Second World War, 31 per cent was built between 1945 and 1979, and 24 per cent is modern to the extent that it has been built since 1980.

Given, then, a steady period of economic expansion combined with the growing attractions of Paris as an international centre, the property market was almost bound to explode. And the most obvious manifestation of this has been in the heady prices at which buildings have been changing hands.

In one of Europe's most expensive deals this year Hachette, the publishing house, last month sold a central office building just outside the favoured investment district to Foncière des Champs Elysées, a Banque Indosuez subsidiary, for FFr2.87bn (£308m). This equates to FFr73,600 a sq m or about £850 a sq ft.

Thus it was a relatively lower price than that obtained from the sale of the Philips headquarters building, in the prime area close to the Champs Elysées, which was sold to Arc Union, part of the Worms banking group of Switzerland, for FFr1.43bn, or FFr110,000 a sq m.

But the most striking characteristic of the recent large property deals in Paris has been the fact that the buyers have generally been property companies supported by banks. The deals have been financed by debt rather than equity.

"French companies with banks behind them have been the driving force of the market," says Mr Robert Waterland, the senior partner of Jones Lang Wootton in Paris. The rise of the market has meant that "what was seen as modest real estate has taken on fantastic value."

Here there is another similarity with the City of London, on the upside of its property cycle. In the City some of the main players were the domestic property companies, before they were superseded by foreign investors, largely from Japan and Scandinavia.

In Paris, over recent months, the French institutions have been absent from the market, except for the purchase of properties for refurbishment. They have been horrified by the existing yields, which have been hovering around 4.5 per cent, explained Mr Waterland. They are not much interested in buying at yields lower than 5 per cent and would prefer 6 per cent. When yields narrowed in the City of London, the British institutions seized the opportunity to sell.

But low yields in Paris have deterred not only French institutions. They appear to have been too low for most Japanese investors, who have been much less prominent in Paris so far than they have been in the City of London. Partly, this may be because there is no obvious place for the Japanese in the market, in the sense that French companies own the sites and have the expertise and finance to develop them.

Partly, it may be because Japanese buyers have not moved far enough up the local learning curve to feel confident enough about purchases on a significant scale; the buying of Japanese institutions in London followed at least two years of intensive market research.

The enthusiasm for buying in Paris has been fuelled in large part by the rise in rents which has followed from the shortage in space. "Working on a stock figure of 65m sq ft for the inner circle of Paris (the City of London has a stock of about 70m sq ft), we estimate the vacancy rate at 4.2 per cent," said Savills Rocval, chartered surveyors, earlier this year.

Annual rental growth has been in the order of 14 per cent and top monthly rents have been edging towards FFr4,500 a sq m. But some of the recent purchases on yields of around 4.5 per cent have been implying a need to rent space at up to FFr6,000.

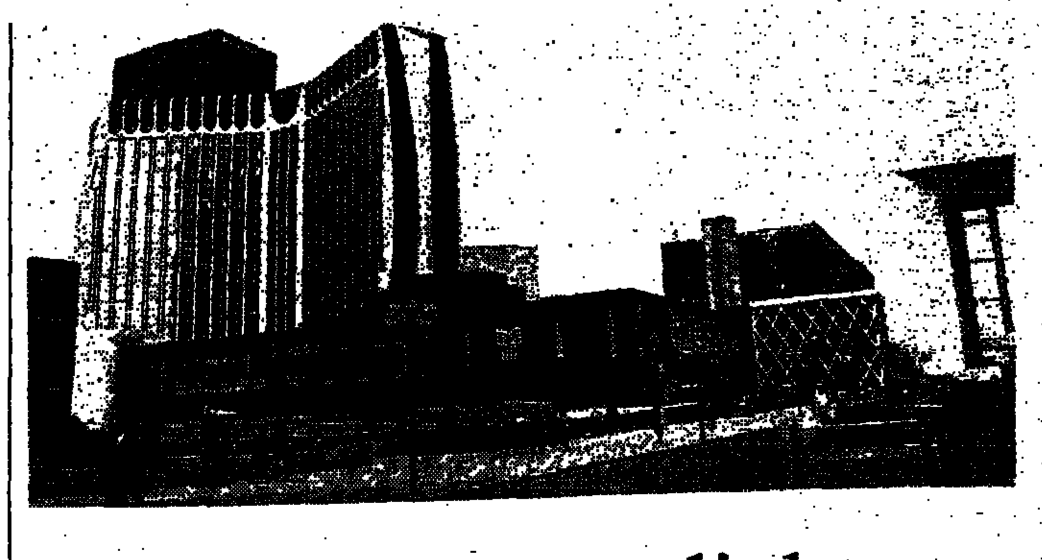
The projection of rental rises to justify site purchases was a phenomenon of the City of London market in 1986-88, not so much in the tightly held central area as around the fringes. But the flattening out of rents and rising financial charges in a market of softer demand has been a cause of grief.

Development in Paris has in fact been running at a high rate since 1986. The limited possibilities in the centre have pushed development westwards and now there is renewed interest on the eastern side. Indeed, two of the few areas where it is possible to build high rises offices are La Défense on the west side and Bercy on the east.

UK CAPITAL VALUES (% change)

	Retail	Office	Industrial	All property
Year to March '90	-0.4	+8.8	+14.0	+5.5
Quarter to March '90	-2.4	-1.2	-0.3	-1.4
Month of March '90	-0.7	-0.1	-0.4	-0.4

Source: Investment Property Databank



Entente cordiale

LA DEFENSE (above), has since 1958 developed into an office quarter with some 21m sq ft of space; total floor space there will eventually rise to about 27m sq ft. For comparison, Canary Wharf, under construction in London Docklands will eventually have 10m sq ft of office space.

La Défense has attracted Heron International among British developers and its interest is characteristic of a wider British fascination with Paris as a property investment and development area.

Among the institutions, Postel and Norwich Union have Paris interests. At the corporate level, Heron is joined by, among others, London & Edinburgh Trust and Hammerson. Arguably, with MEPC, Heron and Hammerson are the biggest UK corporate investors in western Europe, but while MEPC looks strongest in Germany and Heron in Spain, Hammerson looks strongest in France.

Hammerson's first building in Paris was bought in 1970 and its portfolio was substantially enlarged when it bought a package of Paris properties from the ICI Pension Fund.

On the six buildings it retained from that portfolio, rental income has doubled. While this reflects what might be loosely called the working of the portfolio, it is also a measure of how the market has moved.

The movement on the market is apparent in the example of a building that Hammerson has refurbished during the past 18 months. This has 24,000 sq ft of office space and is on Avenue Kléber, close to the Arc de Triomphe in central Paris. The latest rents are in the FFr3,500-4,000 range. But 18 months ago the rents were less than FFr3,000 when Hammerson bought the property on a yield probably of about 7.5 per cent.

Paul Cheeseright

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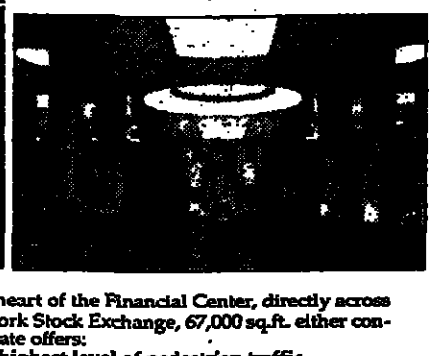

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OPERA AND BALLET

London

Royal Opera, Covent Garden. The heavy, dramatically unimpressive 1989 production of *Il trovatore* by Piero Faggioni returns with Carol Vaness, Walter Donati, Eva Randova, and Sergey Leiferkus in leading roles, and Edward Downes as conductor.

Paris

Bastille Opéra. *The newly inaugurated controversial opera house presents Janacek's mystical* *Katia Kabanova* in which sensuous love is followed by remorse and guilt and a final tragedy. Ends Sat. (40011616).

Brussels

Théâtre Royal de la Monnaie. The Monnaie Opera in Janacek's *From the House of the Dead.* Sylvain Cambreling conducts the Monnaie Orchestra. Staging by Peter Mussbach, sets by Johannes Schutz with Dale Duesing as Gorjancikov, *Ronald Hamilton* as Skuratov and Stefanie Rhaue as Aljeja.

The Hague

Muziektheater. Netherlands Opera production of *Salome* by Richard Strauss, with Eva-Maria Bundschuh in the title role. Hartmut *Haenchen conducts the* Netherlands Philharmonic.

Milan

Teatro Alla Scala. The Scala Ballet Company in Birgit Cullberg's *Signorine Giulia* and Paolo Bortoluzzi's *E cosi via*, with sets designed by the choreographer and music by Jacques Charpentier (80.91.26).

Rome

Teatro Dell'Opera. Last performance this season is Verdi's *Luisa Miller* in Boris Stetka's production conducted by Roberto Abbado. Aprile Millo leads the cast, which includes *Luciana* d'Intino, Paolo Coni and Alberto Cupido (46.17.55).

Venice

Teatro La Fenice. A fine and *much-applauded performance* by baritone Renato Bruson in Verdi's *Ernani*, conducted by Donato Renzetti (alternating with Dario Lucantoni). Claude d'Anna's production *is done in* collaboration with the Regio at Parma *and the Bologna* Comunale (5310161).

Berlin

Opera. Götz Friedrich's *Rheingold* production has fine interpretations by Hanna Schwarz, Lucy Peacock, Robert Hale, Matti Salminen and Ekkehard Wlashiha.

Hamburg

Opera: *Faust* is excellently sung by Josef Protschka in the title role. This week's higlight *Tristan und Isolde* stars Gabriele Schnaut *and Spas Wenkoff* and will be conducted by Ralf Weikert. The two one act Rossini operas *La Cambiale di Matrimonio/Il Signor Bruschino* rounds *off the week.*

Bonn

Opera. *Die Fledermaus* returns with a strong cast led by Ludwig Baumann, Pamela Coburn, Claudia Rueggeberg, Krisztina Laki and Helmut Lohner. *Last performance of Madame Butterfly* with Yoko Watanabe outstanding in the title role, Chieko Shirasaka, Neil Rosenshein and Richard Cowan.

Frankfurt

Opera: *Fire/New Sleep* is jointly choreographed by William Forsythe, Laura Dean, Daniel Larrieu and Amanda Miller. Schoenberg's *rarely played Moses und Aron*, produced by Herbert Wernicke was very successful, when it opened with Gerhard Faustich and William Cochran in the title roles. *Otello* stars Rene Kollo in the title role, Frederick Burchinal *and Helena Doese.*

New York

American Ballet Theatre. The 50th anniversary season includes this week Mikhail Baryshnikov's *Giselle* and an evening of Twyla Tharp's choreography. Ends *June 30. Opera House at Lincoln* Center (362 6000).

Washington

Washington Ballet. The mixed programmes include works by Goh, Christe, and Cranko set to music, respectively, of Scriabin, *Shostakovich*, and Debussy. Ends May 19. Kennedy Centre Terrace Theatre (467 4600).

Tokyo

Idomeneo. With Philip Langridge, Vinson Cole, Edith Wiens. Seiji Ozawa conducts the *Shinsei* Nihon Symphony Orchestra. Tokyo Bunka Kaikan (Mon). Bunkamura, Orchard Hall (Thur) (289 9999, 499 1581).

MUSIC

London

English Chamber Orchestra. Tchaikovsky 150th Anniversary concert. Includes Serenade in C, Elena Firsova's *Autumn Music* written in memory of the Russian composer. Barbican Hall (Mon) (638 8891).
London Soloists Chamber Orchestra conducted by David Josefowitz. Mozart Concerto Festival. Royal Festival Hall (Sun) (928 8800).
Moscow Radio Orchestra conducted by Vladimir Fedoseyev. Vladimir Ovchinikov (piano). Tchaikovsky, Prokofiev, Rachmaninov. Barbican Hall (Thur) (638 8891).

Paris

Ensemble Alternance. Huber, Ligeti (Mon). Auditorium des Halles (40282828).
Regine Crespin (soprano). *Farewell to the Stage* (Mon). Théâtre des Champs Elysées (47203637).
Jean-Pierre Rampal (flute) and **John-Steele Ritter** (harpsichord). *Bach's Sonatas* (Wed). Théâtre des Champs Elysées (47203637).

Brussels

Royal Flanders Philharmonic Orchestra conducted by Gunter Neuhold and the London Philhar*monia Chorus with soloists* performs Verdi's Requiem (Fri). Palais des Beaux-Arts.
Boyan Vodenitcharov (piano) plays Brahms and Debussy (Mon). Palais des Beaux-Arts.
Aga Winska *(soprano)* accompanied by Daniel Blumenthal (piano) in a programme of Bach, Handel, Mendelssohn, Mozart, Pergolesi and Wolf (Tues). Palais des Beaux-Arts.

Antwerp

Royal FLanders Symphony *Orchestra conducted by* Rudolf Werthen with Anne Gjevang (contralto) performing works by Legley, Mahler and Mozart (Sat). De Singel.

Amsterdam

Royal Concertgebouw Orchestra conducted by Neeme Järvi, with *Horacio Gutierrez (piano). Men*delssohn, Prokofiev, Verhulst (Fri, Sat). Concertgebouw.

Bonn

Friedrich Gulda piano recital. Mozart (Thur). Cologne Philharmonie.

Frankfurt

Orchestre Philharmonique De Monte-Carlo conducted by Lawrence Foster, with Gil Shaham (violin). Lalo, Brahms, Dukas (Tues). Alte Opera.

Rome

Murray Perahia (piano) playing *Schumann, Prokofiev and Liszt* (Wed) and a recital by soprano Gabriella Tucci accompanied by Martin Katz (Thur). Teatro Olimpico (393304).
Giuseppe Sinopoli conducting *a concert performance of Wagner's Siegfried* with sopranos Janis Martin and Barbara Carter, contralto Florence Quivar, tenors Siegfried Jerusalem and Horst *Hiestermann and basses Hans* Sotin, Oskar Hillebrandt and Kurt Rydl (Wed). Auditorium in via della Conciliazione

Florence

Shirley Verrett singing Schumann, Schubert and Brahms accompanied by Christian Ivaldi (Thur). Teatro Comunale (2779236).

Milan

Murray Perahia *(piano) playing* Cesar Franck, Schumann, Prokofiev and Liszt (Mon). Teatro Alla Scala (80.91.26).
Franco Gulli (violin) and **Enrica** *Cavallo (piano) playing sonatas* by Beethoven Brahms and J. Strauss (Wed). Conservatorio G. Verdi (80.91.26).

Bologna

Carlo Maria Giulini conducting Schumann, Ravel and Stravinsky (Mon). Teatro Comunale (529999).

New York

New York Philharmonic conducted by Zubin Mehta with Alfred Brendel (piano). Brahms, Bartok, J.C. Bach (Thur). Avery Fisher Hall, Lincoln Center (874 6770).
Kyung-Wha Chung violin recital with Phillip Moell (piano). Handel, Prokofiev, Grieg (Wed). Avery Fisher Hall, Lincoln Center (874 6770).
Da Capo Chamber Players. Elena Forsova, Dmitri Smirnov, Schoenberg-Webern (Thur). Kaufmann Hall (996 1100).

Washington

National Symphony Orchestra conducted by Yuri Temirkanov with Alicia de Larrocha (piano). Weber, Mozart (Tue); Yuri Temirkanov conducting with Luigi Alberto Bianchi (violin). Liadov, Tchaikovsky, Shostakovich (Thur). *Kennedy Center* Concert Hall (467 4600).

Chicago

Chicago Symphony Orchestra conducted by James De Preist with Jeffrey Siegel (piano). Adams, Rachmaninov, Bartok, *Lutoslawski (Thur). Orchestra* Hall (435 6666).

Tokyo

Yomiuri Nippon Symphony Orchestra, conducted by Rafael Fruehbeck de Burgos, with Joaquin Acharro (piano). Rachmaninov, Strauss (Mon). Suntory Hall (320 5841).
Mischa Maisky (cello), with the Tokyo Metropolitan Symphony Orchestra, conducted by Hans Zender. Beethoven, Dvorak, Brahms (Wed). Tokyo Bunka Kaikan (882 0727).

EXHIBITIONS

London

The Tate Gallery. The entire permanent collection has been rehung so that the visitor may now take a natural circuit through the newly restored gal*leries, from 16th century British* painting through to the the most recent of modern international art. It is a curatorial triumph.
The Royal Academy. Modern Masters from the Gelman Collection — a self-explanatory exhibi*tion of masterpieces of the* 20th century from Bonnard and earliest Picasso to Picasso the old man, by way of all the great names of the School of Paris, Matisse, Modigliani and the rest. It is a true celebration not of mere art history but of the joy to be had in the possession of great art. Until July 15; sponsored by Guinness.

Paris

Bagatelle Chateau and Trianon. *Vienna 1815-1848* — the Biedermeier period. Vienna's museums have lent some 250 pieces of furniture, porcelain, paintings and objets d'art for an exhibition *of the style which expressed the* Austrian capital's changed mood after the turmoil of Napoleonic wars — the Biedermeier style. Ends August 15(45012010).
Galerie Odermatt-Cazeau. *19th* and 20th Century Masters.A thread of excellence runs through the exhibition, which begins with the impressionists and ends *with* an abstract Picabia. Monet's Charing Cross Bridge floats in a haze of pinks and blues. The realism and heavy pathos of an early Toulouse Lautrec — *Le Buveur* — is in contrast to his Jane Avril, expressive of his mature period. Ends July 28 (42669258).
Petit Palais. James Ensor 1860-1949. A retrospective of 100 paintings, 130 drawings and etchings brings to mind Ensor'sprovocative boast of "I am mad, I am stupid, I am nasty". Bornin the land of Jerome Bosch and brought up in Ostend in a shopof seaside souvenirs full of carnival paraphernalia, hepeoples his nightmarish universe with skeletons and grimacingmasks. Closed Mon, ends July 22 (42651273).
Musée d'Orsay. The Fragmented Body. Parts of the human body, or the incomplete body form the leading strand of an exhibition beginning with ex-votos and reli*quaries and culminating in a* celebration of Degas, Bourdelle, Maillol and especially of Rodin with his masterly transition from realistic to abstract sculpture. Ends *June 3, closed Mon*, entrance Quai Anatole France (40494814).
Musée Carnavalet. Antique bronzes. Some 400 statuettes *bring to life the Gallo-Roman* world up to the 5th century. Closed Mon, ends July 1 (42722113).
Musée d'art Moderne de la Ville *de Paris.* Kees Van Dongen. 132 works retrace the career of the painter who, as one of the *Fauves* enjoys provoking the public with daring juxtapositions of violent colours, charcoal contours and green *shadows*. 11, Ave *President* Wilson, Closed Mon, late closing Wed. Ends June 17 (47236127)

Grand Palais. Pre-Columbian art in Mexico (1500BC — AD1521). Some 130 exhibits from Mexico's *archaeological museums* bear witness to the high degree of artistic development of the ancient civilisations of the Mayas and Aztecs. Closed Tue, late closing Wed. Ends July 30 (42895410).

Brussels

Hotel Communal de Schaerbeek, Place Colignon — treasures of the commune. Works by Constantin Meunier, Jef Lambeaux and other Brussels artists of the 19th and 20th centuries, daily except holidays. Ends June 11.
Isy Brachot. Portrait of the Pace gallery of New York. Calder, Dubuffet, Picasso, Rothko and *others. Ends June 23.*
Musée d'Ixelles. 71 Rue Jean Van Volsem. La Poetique des Peintres italiens a l'Aube du XXe Siècle. Closed Monday. Ends July 15.
Musée Wellington-Waterloo. Inedits sur Waterloo commemorates the 175th anniversary of the Battle of Waterloo. Daily *ends July 31.*

Ghent

Museum voor Schone Kunsten. Flemish Expressionism in a European Context (1900-1930) with works by De Smet, Ernst, Permeke, Van den *Berghe* and *Zadkine*. Closed Monday, ends June 10.

Venice

Palazzo Grassi. Andy Warhol Retrospective. 250 works from the major exhibition organised by Kynaston McShine for the *Moma in New York last spring*, to which have been added about a dozen from private Italian collections.
Until May 27.

Rome

Braccio di Carlo Magno in Piazza San Pietro: Michelangelo and the Sistine Chapel. This exhibition marks the end of a 10-year *stint* by Vatican restorers on the ceiling of the Sistine Chapel and the beginning of an estimated further four years' work on The Last Judgment. Remark*able for the exceptionally gener*ous opening hours (open every day except Wed and on Sat from 9.30am to 11.00pm) and handsome catalogue as well as a rich *collection of drawings* by Raphael, Rubens, Annibale Carracci, showing clearly Michelangelo's powerful influence, the exhibition also carefully docu*ments the techniques used and* the difficulties encountered by the restorer. Particularly interesting is the 1541 copy of The Last Judgment, by Marcello Ven*usti, lent by the Capodimonte* Museum in Naples, showing the brilliance of the original colours and the figures in their predraped glory. Ends July 10.
Palazzo Venezia. Art for Popes *and Princes of the* 17th and 18th centuries. Over 70 large and exuberant canvases from the country seats of Popes, Cardinals and the Roman aristocrary (Chigi, Barberini, Colonna, Pamphili etc.) in the area stretching south *of Rome, once known as the* Campagna Romana. Not surprisingly, most of the subjects are religious, but varying from the limpid and meticulous account by Van Wittel, of Pope Clement XI's visit to Albano to the splen*did rest on the flight into Egypt* by the Venetian Carlo Saraceni. Remarkable in the non-religious section are four oils depicting the four seasons by Mario Nuzzi, known as Mario de Fiori for his habit of filling every corner of his paintings with vast floral compositions of the sort more commonly associated with Dutch 17th century painting.
Galleria Nazionale d'Arte Mod*erna.* *Fabrizio Clerici retrospec*tive: in a labyrinth designed by the artist himself and built in the gallery's workshops are hung a series of exquisite drawings *and paintings, which move from* a group of baroque drawings of Naples, inspired by a childhood visit, to intricate metaphysical works in pastel shades which *manage to be simultaneously* restful andstimulating. There are also references to Signorelli's apocalyptic frescoes at Orvieto, and the 19th century romantic Boecklin. *Ends Sept 16.*

Munich

Kunsthalle der Hypo-Kultur-Stiftung, *Theatinerstr.* 15.Joan Miro a collection of scurrilous sculptures and previously unpublished drawings by Miro will be on display in Munich's Kunsthalle until June 17. There are about 130 examples of the work of the Spanish surrealist artist, who died in 1983 at the age of 90.

Saarbrücken

Moderne Galerie. Growing on the Move. Retrospective of Paul Klee (1879-1940) in honour of the 50th anniversary of his death with around 190 oil paintings, watercolours and drawings from all periods, to be seen until May 27. This is one of the most comprehensive Klee exhibitions ever.

Vienna

Museum für Volkerkunde has a marvellously exotic exhibition called Jemen, focusing on the world around the Queen of Sheba. Ends June 10.

New York

New York Public Library. More than 125 documents of the Abolitionist Movement, including photographs, letters and rare books, display the spirit and drive of the long effort to free the slaves. Ends Sept 15.
Museum of Modern Art. In its serious, thorough way the museum gives its version of the history of photography, showing off earlier image-developing techniques along with 275 photographs. Ends May 29.

Washington

National Gallery. A joint Soviet-American collaboration brings together Matisse's fruitful and arguably pivotal work in Morocco during his visit in 1912-13 including 23 paintings and 45 drawings, among them the famous Moroccan Triptych from the Pushkin Museum, never before exhibited in America. Ends June 3.
National Museum of African Art. The national tour of artistic and religious objects, much of it sculpture, encompasses nine centuries of Yoruba civilisation. *Ends Aug 26.*
National Museum of Women in the Arts. The first major retrospective of the work of Dame Elizabeth Frink includes 60 sculptures and 25 drawings, including monumental bronze *casts of male figures*, portraits and animals in characteristic roughly textured heroic poses. Ends July 4.

Chicago

Chicago Historical Society. The Land of Lincoln does its most *famous citizen proud in the exhi*bition A House Divided. America in the Age of Lincoln, with documents, mementos and personal effects of the Great Emancipator.
Chicago Historical Society. A special exhibit of Frank Lloyd Wright's designs for art-glass windows, furniture and silver shows why the details completed the Wright look. Ends June 17.

Tokyo

Tokyo National Museum. National Treasures of Japan. Painting, sculpture, calligraphy, craftwork, archaeological artefacts, from prehistoric times to the Edo Period. This is the first opportunity in 30 years to see as many as 200 of Japan's greatest works of art in one place. Closed Mondays.
National Museum of Western Art. Bruegel and Dutch Landscape. 58 paintings on loan from *the National Gallery in Prague.* The centrepiece is Pieter Bruegel the Elder's magnificent Haymaking, with its wealth of circumstantial detail, and the focus is on the development of landscape painting as a genre from its beginnings in about 1500 to the mid 17th century. Closed Mondays.
Idemitsu Museum. In Pursuit of the Dragon: Tradition and Transition in Ming Ceramics. Major examples of Chinese porcelain drawn from the museum's own extensive collection. Ends May 20.
Shoto Museum, Shibuya. Postwar Japanese Art. Paintings and sculpture mainly by members of the Gutai Bijutsu Kyokai group, who tried to forge a distinctive Japanese avant garde style. Fascinating. Closed Mondays.

PUBLIC NOTICES

MMC INVITES EVIDENCE FOR ELDERS IXL LTD / GROUP METROPOLITAN PLC INQUIRY

The Monopolies and Mergers Commission would like to hear from any person or organisation with information or views relating to the proposed transactions recently agreed between Elders IXL Ltd and Grand Metropolitan Plc, involving the companies' public houses and breweries.

The Commission will be studying the possible effects of the transactions on competition in the UK market for beer, including both the brewery and the retail sectors.

The Commission would like evidence in writing by Wednesday 23 May 1990, to be sent to: The Reference Secretary (EGM), Monopolies and Mergers Commission, New Court, 48 Carey Street, London, WC2A 2JT

COMPANY NOTICES

HENDERSON UNIT TRUST MANAGEMENT LIMITED

Announce with effect from 9th May 1990 FAMILY OF INCOME FUNDS has been merged following an approved scheme of Amalgamation into FAMILY OF FUNDS.
Holders of Family of Income Funds units will receive 0.7614 units in Family of Funds for every unit held.

GENERAL ACCIDENT FIRE AND LIFE ASSURANCE CORPORATION plc

A Petition was presented on 29th March, 1990 to the Court of Session by General Accident Fire and Life Assurance Corporation plc a company *incorporated under the* Companies Acts and having its Registered Office at Pitheavlis, Perth, PH2 0NH ("the corporation") craving their Lordships *inter alia* (A) to appoint the corporation to summon and hold a meeting of the holders of the corporation's *ordinary shares of 25p each* and a meeting of the holders of the convertible loan notes issued by the corporation for the purpose in each case *of considering and* if so resolved approving with or without modification the Scheme of Arrangement printed in the appendix to the *Petition and* (B) to sanction the said Scheme of Arrangement.

By interlocutor dated 30th March, 1990 the Court inter alia ordered the above meetings to be convened for the purposes stated above. The said meetings were *duly held* and a resolution approving the said Scheme of Arrangement was passed at the said meetings and the result of said meetings have now been reported to the Court.

The Court has now pronounced the following interlocutor in the said Petition:-

Edinburgh 9th May 1990
The Lords on the Motion of the Petitioners, appoints the Petitioners to give notice of the dependence of the Petition by advertisement once in the Edinburgh Gazette and once in each of the Scotsman and Financial Times newspapers, appoints all parties claiming an interest to lodge Answers thereto, if so advised, within 21 days after such advertisement.
"Donald M. Ross" IPD
All of which intimation is hereby given.

Dundas & Wilson C.S.,
Solicitors for the Petitioners,
25 Charlotte Square, Edinburgh, EH2 4EZ.

GENERAL ACCIDENT FIRE AND LIFE ASSURANCE CORPORATION PLC

A Petition was presented on 4th May, 1990 to the Court of Session by General Accident Fire and Life Assurance Corporation plc a company incorporated under the Companies Acts and having its registered office at Pitheavlis, *Perth for confirmation of reduction* of capital.
On Wednesday 9th May, 1990 an interlocutor *was pronounced in the* following terms:-
Edinburgh 9th May, 1990
The Lords appoint the petition to be intimated on the Walls and in the Minute Book in common form and to be advertised once in the Edinburgh Gazette and in each of the Scotsman and Financial Times newspapers; appoints all parties claiming an interest to lodge Answers thereto, if so advised, within 21 days after such intimation and advertisement. "Donald M. Ross" IPD. *All of which intimation is* hereby given.
Dundas & Wilson C.S.,
Solicitors for Petitioners.
25 Charlotte Square,
Edinburgh, EH2 4EZ.

ART GALLERIES

LEGER: BRITISH LANDSCAPE PAINTING Including Gainsborough and Turner: 13 Old Bond St., W1, Mon.-Fri. 9.30-5.30, until 25 May

LEGAL NOTICES

IVORY & SIME ATLAS FUND

Registered number: 2005876
Former company name: Highstead Building & Development Co Limited (In 20.9.86)
Nature of business: Property Developer
Trade classification: 23
Date of appointment of joint administrative receivers: 30 April 1990
Name of person appointing the joint administrative receivers: Guinness Mahon & Co Limited
MALCOLM JOHN LONDON and ROBIN MICHAEL ADDY
Joint Administrative Receivers
(Office holder nos 191 and 01) of Cork Gully
Shelley House
3 Noble Street
London EC2V 7DQ

ARTS

Alastair Muir

Lindsay Duncan

Berenice

COTTESLOE THEATRE

Stony-faced with intensity, the cast drones its lines in hushed tones and moves stiffly around the stage as if gingerly feeling its way in an alien element. We recognise the signs: either haemorrhoids or British actors facing up to French classicism.

Racine's *Berenice* ends where Mozart's *Clemenza di Tito* begins. It dates from 1670, the height of his career, and crystallises his obsessions and methods: the exquisite self-analysis of love and its variations under pressure – jealousy, pride, anger, despair and resignation, all depicted with physical restraint and verbal seemliness according to the observation of the *bienséances* (which the English have long equated with *malaise*). For two and a half hours – *sans* interval in the Royal National's new production – three characters work out how to make themselves as unhappy as possible.

Antiochus, King of Comagene (David Haig), loves Berenice, Queen of Palestine (Lindsay Duncan), who loves the new Roman emperor Titus (Owen Teale) – who loves her but for political reasons decides to send her away. Antiochus tries to break the news gently, to her suspicious fury. He dithers about moving in on his own account. Titus wavers over his feelings for Berenice. She eventually departs, a first century Mrs Simpson without her prize.

Racine's rhyming alexandrines have been translated by Neil Bartlett, a boisterous, funny and exhilarating version of Molière's *Misanthrope* to his credit. But rangy colloquialisms, galloping rhythms and false rhymes clash with the stately agonising of potential tragedy.

While the fluency (pre-Victor Hugo *enjambements* help the flow) avoids the usual pantomime effect and the distracting guesswork about the next rhyme that bogged down the Glenda Jackson *Phèdre* a few years ago, the traps of bathos, incongruity and trivialisation are not escaped; as when a climactic scene is signalled by the Emperor's "Berenice is waiting: this is it" or Berenice niftily rhymes her lament for the absent Titus with "Who am I fooling and why should this fright us?" Nor does royal grammar pass muster.

Above all, the free-wheeling, loose-limbed language jars with the numbingly staid pace of Tim Albery's production. The actors get slower and quieter, like clockwork toys running down; towards the end of the big speeches until Berenice's final peroration finds Lindsay Duncan almost grinding to an inaudible halt.

The box of Antony McDonald's set, walls made up of tall off-white panels, is as barren and constricting as the rules of classicism themselves. A painted ceiling and a ruffled blue floor-cloth from which projects the plaster bust as of a drowning figure (Racine?) frame barefoot women in long dresses and men in modern – well, Carnaby Street era – suits or togas, depending on the whim of the moment.

Over Titus' gold satin poloneck is a purple velvet jacket elongated into a forked train, like a giant tail-coat. He makes his final sacrifice in a fetching mustard-coloured nightie.

None of which would matter if the production showed any sign of life, let alone ideas. Apart from visual aberrations and unconscious comedy, the reverentially handled play emerges, grinding lethargically on in funereal tones, as a museum piece, inert and lifeless.

The actors look suitably earnest and aghast but vocally and facially are caught up in the general unvaried monotony. Though less clumsily designed and not so messily executed, it is a worthy successor to the same director's production of Berlioz' *Beatrice and Benedict* at the Coliseum, another savage swipe at French culture.

Martin Hoyle

Korean art housed in the west

Cambridge is set fair to become the centre for the study of Korean art in the West. In 1964, Mr and Mrs Godfrey Gompertz arranged to bequeath their outstanding collection of Korean art, principally ceramics, and an equally important library of Koreana, to the Fitzwilliam Museum. Twenty years later, to mark the centenary of Anglo-Korean diplomatic relations, they generously turned that bequest into a gift. The collection is arguably the finest outside Japan and Korea, and without doubt the most important in Europe. It is now on display in an elegant new gallery, courtesy of the Hyundai Business Group.

The project is a triumph of the fund-raising skills of the Fitzwilliam Museum Trust. A consortium of Lazard Brothers, Barclays Bank International and the Korean Merchant Bankers' Corporation contributed £15,000 apiece to arrange for Professor Yun Yong-i of Won'gwang University to catalogue the collection (to be published by Cambridge University Press). Hyundai's sponsorship of £50,000 came at the request of its chairman, Mr Se-Yung Chung. Moreover, it is a tribute to the perspicacity of Mr Gompertz.

Korean ceramics were, and still are, remarkably little known outside Japan and Korea. Traditionally, they have been seen in the West as the poor relations to Chinese and Japanese wares. What pieces have found their way into Occidental collections tend to be late, and not of the finest quality. Godfrey Gompertz's introduction to Korea came in 1927 when he was posted to Seoul for a year from Japan by the Shell Oil Company. There he met his future wife, Elizabeth, daughter of American missionaries. It was on their honeymoon in Korea's Diamond Mountains that Gompertz resolved to make a study of Korean art his life's work.

In the early days, he did not have the means to collect. (Or even to marry – Shell initially refused him permission to take a wife on the grounds that he earned too little.) Instead, he acquired every available publication in Japanese or English. Returning to Japan after the war, and taking regular holidays in Korea, he befriended the leading scholars and dealers of the day. In 1948 he made his first purchase; his aim was to make a representative collection of ceramics to show his countrymen how beautiful Korean art can be, and its importance in the history of oriental art.

Forty pieces of his collection were shown at the Oriental Ceramic Society in London in 1951 and caused a sensation. No one had seen such flawless and brilliant examples of Korean celadons from the Koryo period (918-1392). "But these pieces are as good as Chinese Sung wares," spluttered one expert.

Collecting Korean celadons today is the domain of the rich In 1948, however, spectacular pieces could be procured for less than £15. In two years, the Gompertz had amassed 23 Koryo celadons – the cream of the collection – for just £341. The Japanese, long admirers of the art of Korea, may have been desperate to sell their possessions, but Gompertz appears to have been the only member of the large Western community in Japan prepared to take the trouble to learn about Korean culture, and to cultivate those relationships with dealers and collectors which are essential for doing business in the Far East.

The Gompertz were determined not to allow their collection and library be broken up and sold piecemeal. They surveyed the country for the most appropriate repository, and plumped for the Fitzwilliam, already enriched by Korean holdings from the Tapp and Raphael collections. The gift came with what Mr Gompertz described as two crucial stipulations. First, two-thirds of the collection of 152 pieces had always to be on show. Secondly, the pieces had to be given their own space. Korean wares do not like to have busy neighbours.

The University of Cambridge is committed to keeping the Gompertz library up to date. Its museum has now installed the collection in a model gallery. The exhibits, particularly the most important, are allowed the breathing space crucial to such "quiet" objects. Their frames are appropriately minimalist black lacquer showcases (by Alto Manufacturing) whose play of the simplest Korean lattice work and coarse paper windows suggest the diffused light of Korean interiors.

Thanks to the glorious celadons, it is the most tranquil space in the museum. The peculiar serenity of these Koryo stoneware celadons rests on a harmony of simplicity of shape, sparse decoration and perfect, luminous glazes that range from soft greys through blue-greens to olive. These wares reached their peak in the first half of the 12th century; eloquent witness to the refinement of the Korean court and its patronage for home and temple. The star of the Gompertz collection represents the Korean potters' crowning achievement: an austerely beautiful long-necked, pear-shaped wine bottle. Its perfectly smooth surface is completely plain and exults in a particularly blue blue-green glaze.

Magnificent, too, are the melon-shaped lobed wine ewers, and the smaller wares such as cupstands, cosmetic dishes and water droppers, carved or incised with scrolling patterns of dragons or foliage. Flying cranes, willow trees and lotus blossoms, introduced by inlaying white or black slip before glazing, enhance large vases and jars, unique in technique and subjectmatter in oriental wares.

Ceramic oil bottles from the early Choson period (1392-1910) look as polished as pebbles on a beach. The taste for the more robust Choson stonewares with pale slips and incised or stamped decoration, came to the West only this century, thanks to the endeavours of Bernard Leach and Shoji Hamada.

In range, the Gompertz Gallery covers artefacts from the 5th century Silla Kingdom to 19th century blue and white. In terms of media, it embraces earthenware, stonewares and porcelains, bronze vessels and mirrors, buddhas and long, thin Korean spoons, long-handled paper fans and lacquered wooden boxes inlaid with mother-of-pearl.

Susan Moore

Mahler

FESTIVAL HALL

Although Bruno Walter and Herbert von Karajan were not apparently bothered by the idea, there cannot be many conductors prepared to commit their Mahler interpretations to disc in live performances. It is under these conditions, however, that Michiyoshi Inoue has made a start on the symphonies and his performance of the Fifth Symphony with the Royal Philharmonic Orchestra on Wednesday will be the next.

Whether it will fit on to one disc, we shall have to wait and see. On the family tree of Mahler interpreters Inoue belongs to the romantic branch, for whom expression means a slowing up rather than the nervous forward propulsion that is generally favoured by younger conductors. His whole view of the work is on the slow side, as the grand and heavy opening funeral march, envisaged on a Wagnerian scale, unmistakably announced.

By and large this is not the most rewarding way to play Mahler, even in this most heroic symphony. As soon as the musical argument starts to quicken in the second movement, one longs for a conductor like Maazel to clarify the textures or a Bernstein to get a grip on the many small motifs. This performance made its points in a leisurely fashion and it will be interesting to see if it seems as indulgent on record as it often did here.

Still, what the disc will also show is that Inoue knows and loves his Mahler. There was no blank music-making and the RPO responded generously to the conductor with the rich and expressive style that he demanded of them, turning phrase after phrase to individual purpose. It was just not the symphony as I personally want to hear it.

In Prokofiev's Violin Concerto No 2 the soloist was Dmitry Sitkovetsky, as impressive live as he is in his recordings. This performance, at turns eloquent and trenchant, was played with a true nobility of technique, in the absolute steadiness as he draws the bow across the string, in the immaculate intonation, in the exact rhythms. I doubt that any violinist has ever spun the opening solo of the Andante on a more seamless thread of tone than this.

Richard Fairman

Gyula Stuller

WIGMORE HALL

This young Hungarian violinist, winner of the Tibor Varga competition four years ago, is replete with virtues – as a player; one of these days he will become a fully-fledged performer, too. What's still needed isn't some extra technical finesse, for his executive security is of a high order, nor on Tuesday did he offer anything less than the most dedicated, objective musicianship. But some material stamp of character was wanting: in Schumann (the late A minor Sonata) and Brahms (the D minor) there was a discrepancy between Stuller's earnest, civilised address and the communicative energy of his pianist Eva Nemeth – and when he came to Sarasate's show-off "Carmen" Fantasy at the end, he delivered it as if it were just music like the rest, neither more or less.

He did it with the most expert resource, but no saving twinkle of O.T.T. or tongue-in-cheek. (What can he think this circus number is *for*?) One realised in retrospect why Stuller had played thoughtful, sensitive second-fiddle to his bolder accompanist in Schumann, and why the Brahms Third Sonata had sounded unwontedly sweet and temperate, hardly more strenuous than the First or the Second. There is a difference between just rendering a Romantic piece in impeccable taste, and taking firm possession of the music to carry it forward. Stuller's polished account of Brahms' final Presto agitato would have meant more if he had conveyed anything like the uncomfortable physical tensions of the opening Allegro.

His best strengths came into play in the unaccompanied Sonata of Bartók: not only his remarkably true pitch in the hazardous double- and triple-stopping and the reckless leaps, but a firm grip on the bar-by-bar sense of this great, craggy work. If, overall, the rhythms of the Chaconne wanted tougher rhetorical authority and the Fugue more sinewy threat, there were plenty of passages which Stuller made rewardingly transparent, far beyond the norm; and the Melodia and final Presto were not merely suave, but searching. I wondered whether by temperament he might not be a superlative chamber-musician waiting to find the right colleagues, rather than a solo personality.

David Murray

Gibraltar Straits, Falkland Sound

THEATRE UPSTAIRS, ROYAL COURT

Many-sided, but not rounded, *Gibraltar Strait*, a short new one-act play by Hugh Stoddart re-tells matters surrounding the killings of the three IRA members in Gibraltar in March 1988. The body of the play is a collage of eyewitness accounts. These are supplemented by a few interview scenes and by episodes from the big inquest; it all runs like a documentary. It's true that the more British or establishment the character s, the more narrow and blinkered they're made to sound – which is a weakness. But the play's approach, though "alternative," is not strident. Neither anti-British nor anti-Irish, its purpose is to show that there are more views than one.

As drama, *Gibraltar Straits* – which refers in passing to *Death on the Rock* – is too close to TV documentary. (Nothing happens; people recount what happened). As documentary, it's dense, too dense, with detail. They recount a lot, including pre-histories. As theatre, however, the fun of it is that just five actors must play members of the IRA and SAS, Irish, Gibraltese and British witnesses, lawyers and journalists. On a strip of sand, with a minimum of props, Susan Brown, Jonathan Cullen, Ewan Hooper, Melee Hutton and John Salthouse impersonate the panoply of characters with superb economy and accuracy. A regular device of Simon Curtis's staging has the five simply sitting and, in turn, speaking paragraphs of their histories as if to the camera. It works: the actors' stillness and absorption are riveting.

The evening is a two-hander of political theatre. Before the interval, *Falkland Sound* has been revived – the 1983 play based on letters from David Tinker, a Royal Navy casualty of the Falklands war, to his parents and wife, charting his young life in a steady arc that's suddenly shaken and stopped in 1982.

Jonathan Cullen is David, and his performance is piercingly moving. He never rises from his chair until the last two minutes, and he seldom shifts body posture during a letter. Yet you hear and see him grow up, become a husband, become adult. The smart accentuation of every vowel, the disciplined intensity of every still position (right down to the beautifully relaxed hands and planted feet), the strength of his gaze – everything adds to David's perfect Englishness. This is a beautiful performance, wonderfully human. Then, after the interval, playing a Gibraltese salesman, a Geordie journalist, and an SAS officer (using David's very public-school accent), the same actor is superbly heartless. He has concentration, precision and fixity – the killer instinct of marvellous acting.

Alastair Macaulay

Tartuffe

PALACE THEATRE, WATFORD

The season at Watford draws to a close with a *Tartuffe* of promising pedigree which never quite lives up to expectations. The reason for this is hard to pin down, although part of the problem undoubtedly lies in the conjunction of David Bryer's eclectic new prose translation with a hurdy-gurdy idiom, centred around the *coup de grâce* of the production (designer Robin Don), a huge spiralling staircase, which revolves to music by Howard Goodall, complete with organ-bellows wheeze, like the works of some elaborate sideshow. The opening and close of Lou Stein's production reveals a party of museum-piece automatons wound into a stiff mimicry of dance, their moth-eaten coiffure attesting to a good many years on the road.

It is a strong and lucid idea which yields characters trapped in ancient conventions: the appearance of Marcia Warren's Madame Pernelle is as tatty and faded as her morality, while her grandson's jutting hair and temper make him look and sound like a leftover from the commedia chest. Liza Hayden, as the shrill, diminutive fixer and lady's maid seems built on whim on a different scale to the family whose interests she serves, enabling her to shimmy down poles and evade, without ducking, the enraged blows of her master.

As played by the excellent Christopher Benjamin, Orgon is a man who, intellectually as well as physically, never connects. He shares with John Fortune's bubble-eyed, slack-chinned Tartuffe a habit of staring intently, but without intelligence or comprehension, at the author of any slight or surprise. Fortune takes this mannerism to comic heights in a seduction scene with Maureen Beattie's extravagantly resourceful Elmire which reveals him not so much as a clever conniver as a dolt who has been shielded from the outcome of doltishness by a perverse streak of luck. Threatened with exposure he sweats and stares; offered his host's fortune he reacts in much the same way, and he does so again when he is finally clapped into handcuffs by a gleaming officer of the law who is clearly just back from the puppet repairers.

It is a playing style that would be better suited to a verse translation bordering on doggerel than to Bryer's textured prose, in which a shoal of 20th century references ("We've never had it so good" or "What you speak reeks of permissiveness") mingle with Tartuffe's anachronistic thees and thous and the pert idiomatic chatter of Dorine. It's not that Bryer's writing has no rhythm (it is carefully constructed on four-beat lines), but that its ebb and flow is too subtle for this reading, softening and slackening the comedy and losing the familiar glint of gems like Orgon's excruciating ". . et Tartuffe?" sequence. The result is competence where one looked for excellence.

Claire Armitstead

OBITUARY

Luigi Nono

The composer Luigi Nono died in Venice on Tuesday at the age of 66. Together with Boulez, Stockhausen and Pousseur, Nono was one of the formulators and first proponents of total serialism, though his own musical inclinations and political credo were to lead him on a widely divergent path from his contemporaries.

Nono studied composition at the conservatory in Venice there with Malipiero from 1943 and later with Maderna and Hermann Scherchen, both of whom were later to conduct his works. When Scherchen introduced his *Variazioni canoniche* at Darmstadt in 1950 Nono's position among the avant garde was established, and he achieved international recognition six years later with his serenely beautiful choral setting of the letters of Resistance fighters, *Il canto sospeso*. In 1955 he married Schoenberg's daughter Nuria, and by then his membership of the Communist Party had begun to shape his work and led Nono to break ranks with the serialists' embargo on opera: *Intolleranza 1960* caused an uproar when it was first performed at La Fenice in 1961.

Through the 1960s and 1970s politics became ever more dominant in Nono's music , though curiously he was to write only two more stage works – *Al gran sole carico d'amore* (1975) and *Prometeo*. Pre-recorded tapes played an increasingly important role in his works too, and the fine-grained lyricism that had characterised so much of his earlier music became submerged in more generalised block textures, as if he were seeking a immediate analogue to the art of the wall poster. At their best such works have an intensity and forward propulsion that thrillingly reflects their political commitment; yet when in the 1980s Nono returned to an altogether quieter mode, his music seemed to regain a dimension - to become Italian again in the best sense of the word. Though widely respected in Europe Nono never received the attention he deserved in Britain, for what one suspects were thoroughly non-musical reasons.

Andrew Clements

SALEROOM

Key algae photos sold

The only known copy in private hands of *Photographs of British Algae*, produced in 1843 with almost 400 plates by Anna Atkins, sold for £90,200 at Sotheby's yesterday to the American dealer H.P. Kraus, Jnr. Only 13 complete or part copies of this famous publication are known to have survived and 12 are in institutional collections. This copy was sold at Sotheby's in 1888 for eleven shillings and was subsequently owned by the Scottish photohistorian, William Lang. It is one of the key works of early photography and the price paid yesterday was comfortably above the £60,000 high estimate.

A study of the spires of Lichfield Cathedral taken in the late 1840s by the Rev. Calvert R. Jones more than doubled its high estimate at £18,700 while the National Library of Wales at Aberystwyth acquired a family album by Jones for £11,000. The photographic auction brought in £446,699 with under 8 per cent unsold.

A large micromosaic panel of the interior of St Peter's Rome measuring 71.5 x 53 cm, was sold at Christie's yesterday for £46,200, over twice its high estimate. It was made in 1899 by Augusto Moglia, a member of a famous family of Roman mosaicists, who worked in the Vatican mosaic workshop. It was the highlight of a 19th century art auction which totalled £394,100, with almost 20 per cent unsold.

The contemporary art sales in New York seem to be stabilising at a lower level of demand. Sotheby's added another $26.4m (£15.7m) on Wednesday, with 28 per cent unsold. The Japanese were active buyers and paid £458,743 for "Black blue painting" by Mark Rothko. "Spanish nudes" by Gerhard Richter did well at £366,994. European artists seemed to be in greater demand than American and on Tuesday there was an auction record for Frank Auerbach of $660,000 (£395,000) for "Mornington Crescent."

Antony Thorncroft

ARTS GUIDE

May 11-17

THEATRE

London

Anything Goes (Prince Edward). Cole Porter's silly ocean-going 1930s musical has four or five marvellous songs and Elaine Paige failing to emulate Ethel Merman. Jerry Zak's desperately bright production comes from the Lincoln Center in New York and is undemanding fare (734 8951, cc 836 2428).
Jeffrey Bernard is Unwell (Apollo). Tom Conti is the alcoholic journalist who embodies a Falstaffian, nay-saying life force while committing public suicide by vodka. Keith Waterhouse has stitched a fine play, the season's highlight, from Bernard's own writing, Ned Sherrin directs (437 2663).
Aspects of Love (Prince of Wales). Andrew Lloyd Webber's latest is an intimate chamber operetta derived from David Garnett's 1955 novella. Musically interesting and well directed by Trevor Nunn, a cast of unknowns project the right sense of sybaritic insouciance. A probable, but unspectacular, hit (839 5972).
Bus Stop (Lyric). Glam revival of William Inge's 1955 Kansas comedy, with Jerry Hall making her West End debut as the tank-town "chantoose" to Shaun Cassidy's Montana cowboy, a partnership forged on Broadway by Marilyn Monroe and Don Murray. Plenty of glow but not much grit (437 3686).
Shadowlands (Queen's). Four-tissue weepie about the love affair between crusty Oxford writer C.S. Lewis and the cancer-riddled American poet Joy Davidman, which pushes both Nigel Hawthorne and Jane Lapotaire into the awards stakes. William Nicholson's play is irresistibly emotional. Elijah Moshinsky's direction is superb (734 1166/439 3849).

Stuttgart

Makal City Theatre, Marienstr. 12. Peter Makal, director of the Stuttgart-based International Festival of Mime, now in its eighth year, has put together a truly world-class programme. Founder of the Makal Theatre, he will present a dozen specialist groups and artists from eight countries, includingthe Soviet Union, East Germany and Hungary as well as Chile, Australia, France and the US. Ends June 4 (0711/626206).

New York

Cat on a Hot Tin Roof (Eugene O'Neill). Kathleen Turner, whose statuesque good looks embody Tennessee Williams' vibrant character Maggie, is surrounded by an excellent supporting cast in Howard Davies' production.
Grapes of Wrath (Cort). The Steppenwolf company's interpretation of the Steinbeck epic novel has taken a long time to reach New York from Chicago; the wait was worth it, with the 1930s brought alive in its squalour as well as its test of human strength. Gary Sinise as Tom Joad stands out in Frank Galati's adaptation.
Gypsy (St James). This 30th anniversary production does more than revive a rich, vivid musical; it also introduces a new belter in the Merman tradition, Tyne Daly, as the bossy, tireless and tuneful Rose, who shamelessly leads her daughter into burlesque while rejecting a personal life for herself (246 0102).
Grand Hotel (Martin Beck). Tommy Tune, Broadway's present musical doctor, directs this remake of the Garbo film to at least shake the bones of this inert depiction of lives crisscrossing in an elegant, but somewhat random setting (246 0102).
Sweeney Todd (Circle in the Square). An intimate production of the Sondheim-Wheeler musical in contrast with the elaborate original a decade ago emphasises the descent into madness of Bob Gunton as the demon barber of Fleet Street (239 6200).
Jerome Robbins' Broadway (Imperial). Anyone attracted by the notion of three hours of film trailer previews will adore this compendium of Robbins' directed and choreographed plays of the past 40 years, including *On the Town, West Side Story* and *Gypsy*. **Cats** (Winter Garden). Still a sell-out, Trevor Nunn's production of T.S. Eliot's children's poetry set to music is visually startling and choreographically feline (239 6262).
Les Misérables (Broadway). The magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drama (239 6200).
Phantom of the Opera (Majestic). Stuffed with Maria Bjornson's gilded sets, Phantom rocks with Andrew Lloyd Webber's haunting melodies in this mega-transfer from London (239 6200).

Washington

Serafina (Kennedy Center Opera House). The spirited teenage cry for freedom, including shrill enactments of police brutality, brings the hyper-reality of South Africa home with a lively beat. Ends May 27 (467 4600).

Chicago

Uncle Vanya (Goodman). Michael Maggio directs John Mahoney in David Mamet's new adaptation of the Chekhov classic. Ends May 26 (443 3800).
Steel Magnolias (Royal George). Ann Francis and Marcia Rodd play the leads in this view of southern life from under the dryers in a busy hairdressing establishment (988 9000).
Fraternity (Pegasus Players). Jeff Stetson's political drama focuses on the civil rights movement of the 1960s and 1970s to explore issues of principle and compromise. Ends June 3 (271 2638).
A Chorus of Disapproval and The Beggars Opera (Court). With clever scheduling, Alan Ayckbourn's comedy about putting on *The Beggar's Opera* appears in repertory with the work itself. Ends May 27 (753 4472).

Tokyo

Kabuki. Kabuki-za (541 3131). Performances this month feature two leading onnagata (specialists in female roles), as well as a traditional name-taking ceremony. The highlight of the 4.30pm show is a famous scene from *Meiboku Sendai Hagi (The Disputed Succession)*, one of the classic "loyalty plays" of the Japanese theatre. Earlier, at 11am, Living National Treasure Utaemon VI plays his greatest role, as a mother driven to distraction by the death of her son, in *Sumidagawa (Sumida River)*. Excellent earphone guide in English and English-language programme. Ends May 27.
Bunraku. At 11am: *Kagamiyama Kokyo no Nishikie (The Colour Prints of Kagamiyama)*, the story of a plot to depose a lord from inside his own household. Performances at 5pm feature *Shoutsushi Asagao Banashi (The Story of Morning Glory)*, a tragic tale of a girl who cries herself blind over the death of her lover. Japan's sophisticated puppet theatre can still move audiences to tears. Earphone commentary in English. National Theatre, small theatre (265 7411).
King Lear. Japanese avant garde director, Tadashi Suzuki, working with American actors, has produced a radical reworking of Shakespeare's tragedy (in Japanese). Sogetsu Hall, near Omotesando (from Tues) (408 1126).
Hamlet. Performed in Russian by the Moscow Theatre of the South-West. This comany started as a local amateur group and is said to be the USSR's only self-supporting company. Parco Theatre (370 2692). Opens Thursday.
Peer Gynt (in Japanese). Japan's most famous director, Yukio Ninagawa, best known for his samurai Macbeth and noh Tempest, tackles Ibsen's "unstageable" masterpiece, with a cast headed by two popular young rock singers. Should be fun. Aoyama Theatre (201 7777).

FINANCIAL TIMES

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Friday May 11 1990

Failure of leadership

THOSE who fail to learn the lessons of history may be condemned to repeat it. The last expansion of the world economy, in the second half of the 1970s, ended in an inflationary upsurge and the revelation that much international lending which had been promoted as commercially responsible and economically necessary amounted, in reality, to deadweight debt. For industrial countries, that discovery, in August 1982, produced a rapid change in economic policy and so the beginning of seven years of economic expansion. For many indebted developing countries, however, it was the beginning of an economic agony that is likely to persist throughout the 1990s.

Since then the world's financial institutions have become still more proficient at wasting their depositors' money. Now they have created financial fragility even before disinflation is well under way. In so doing, they may well have spared the world the pain of any serious attempt to lower inflation.

With luck that may not matter. The present rate of inflation is, after all, far from that of the late 1970s. Consumer price inflation in the industrial countries rose by more than a percentage point in 1989, but only to 4½ per cent. Furthermore, as the IMF notes, reasonably prompt action has been taken to bring inflation back under control. Consequently, economic growth in industrial countries fell from 4⅛ per cent in 1988 to 3⅓ per cent in 1989 and is expected to fall still further, to 2¾ per cent in 1990.

Maybe that decline in growth will be enough to keep inflation under control. If so, one reason is not the virtue of industrial countries, but the persistent weakness of commodity prices. The real prices of every significant group of commodities are lower, in some cases dramatically lower, in 1990 than they were in 1980.

Bleak picture

Partly because of the weakness of commodity prices and partly because of the legacy of the overlending of the 1970s, the performance of most developing countries has been dismal. Between 1983 and 1989, industrial countries achieved annual rates of growth of 3.6 per cent, up from 2.1 per cent between 1974 and 1982. Developing countries, however, experienced a decline in rates of economic growth, from 4.3 per cent in the earlier period down to 3.6 per cent. Apart from Asian developing countries, which managed growth of 7.4 per cent between 1983-89, the picture is a bleak one of stagnation.

Little progress

What have the meetings in Washington this week done to ensure that the 1990s will be any less bleak? Very little, it appears. Agreement has been reached on a 50 per cent increase in IMF quotas, but this is conditional on agreement on a scheme to tackle the problem of arrears. The very existence of these arrears suggests why the expansion of normal IMF facilities was not, in any case, a high priority.

The standard facilities of the IMF were not designed to deal with the problems that it is encountering in its lending to developing countries. The IMF has also failed to restrict its operations to countries whose policies and prospects offer a reasonable chance of success.

The industrial countries, above all the US, are determined to solve problems on the cheap. Thus the IMF and World Bank have been pushed into the forefront in dealing with the debt crisis in order to limit direct budgetary appropriations for that purpose. Efforts at debt relief under the Brady Plan are limited by the modest levels of support available. Again, the pressing problem of official debt cannot be tackled effectively because of an unwillingness to put losses on the budget.

This penny-pinching will ensure that the mistaken lending of the 1970s will poison the 1990s. Worse, the equally huge mistakes in lending of the 1980s – notably property lending and corporate restructuring – may yet make a repetition of the inflation that ended the 1970s unavoidable. The failure to resolve these problems now, instead, is the result of political cowardice: unwillingness to pay for mistakes and a persistent failure to control a financial system that is deregulated in its assets and guaranteed in its liabilities.

Welcome move in Mexico

THE capacity to act on, rather than react to, events has been one of the distinguishing hallmarks of Carlos Salinas de Gortari, the Mexican President. Ever since he took office in December, 1988, he has constantly moved further and faster than expected with economic reforms.

He has now surprised his own supporters and wrong-footed the opposition by announcing the privatisation of the banks. The move has enormous symbolic and practical significance. It is the first time in the history of the modern Mexican state that a government has sought to roll-back an industry which has already been nationalised. Furthermore despite some pressure from the private sector and foreign investors, the banks had seemed too politically sensitive a sector to include in President Salinas's privatisation plans.

The banks were nationalised in 1982 during the final days of the Lopez Portillo administration in a desperate attempt to find a scapegoat for the financial chaos caused by the onset of the debt crisis. The nationalisation was carried out in a shamelessly demagogic manner. The privately-run banks may not have particularly distinguished themselves during the heady decade of the Mexican oil bonanza, but the manner of their takeover sent shock waves through the private sector. It was the signal for large-scale flight of capital, which stayed across the border in the US for the rest of the decade and has only just begun to trickle back as a result of the confidence generated by President Salinas.

Unambiguous signal

Thus the decision last week to submit constitutional changes to Congress which would permit the banks to be privatised is both a necessary confidence-building measure and an unambiguous signal. The move will also be welcomed by members of the General Agreement on Tariffs and Trade (Gatt) who are looking for developing country support in their Uruguay Round negotiations on liberalising services. Although Mexico has become an enthusiastic member of the Gatt in the past four years, it has yet to show any real willingness towards opening up this sector to foreign capital.

Privatising the banks has to be seen in tandem with President Salinas's recent decision to forego long-standing Mexican reticence towards its powerful northern neighbour. He is anxious to work towards the creation of a North American Free Trade Area and could even reach some preliminary agreement on this when he visits Washington in June. This represents an historic shift in Mexican strategic thinking and in part has been prompted by conclusions drawn from his trip to Europe at the end of January. Having once hoped to attract significant European investment on the basis of a soundly restructured economy, the Mexicans now seem to believe that the Community is too wrapped up in its own concerns with the prospect of 1992 and the changing face of eastern Europe.

New relations

The establishment of a new relationship with the US and a concerted effort to attract Mexican flight capital back into the country are the correct priorities in the circumstances. It should also help to keep the international bankers on board in the wake of the recent debt rescheduling agreement. If inflation is brought down further and the bank privatisation measures help the momentum of economic recovery, the Government's hand is likely to be strengthened in vital congressional elections next year.

President Salinas needs to see the ruling PRI do well in these elections, otherwise he will face a hostile Congress that could slow the pace of economic reform. Just as important, the congressional elections need to be transparent and clean, relegating to the past the PRI's time-honoured habits of ballot-rigging. So far the remodelling of the PRI and the opening up the political system have remained too much in the realm of good intentions. However, the speed of political reform cannot lag behind economic change indefinitely without negative consequences.

David Thomas and **John Hunt** on the issues facing the world's environmental diplomats

Wave on wave of good intentions

IF the world's environmental problems could be solved by high-powered conferences, then the planet would have nothing to worry about. Officials from the world's environment ministries, activists from green pressure groups and scientists specialising in environmental problems have spent the year jetting from one international gathering to another.

This nomadic crowd has now descended on the Norwegian port of Bergen, where environmental representatives from more than 30 countries have gathered for two weeks. The official reason for this get-together is to consider the notion of "sustainable development" – the seminal concept of environmentally sound economic growth which was popularised in 1987 by a United Nations Commission chaired by Mrs Gro Harlem Brundtland, Norway's then Prime Minister.

As with many of these green conferences, almost anything – or nothing – could emerge from Bergen. The Norwegian Government is pressing participating countries to agree an ambitious communiqué which would, for example, commit them to stabilise emissions of carbon dioxide (CO), the main greenhouse gas, by the end of the century.

This would entail short-term cuts in CO emissions particularly from coal-burning power stations. But several of the larger industrialised countries, including the US and UK, have let it be known that they have no intention of agreeing global warming commitments at Bergen.

It would be easy for sceptics to dismiss such eco-summits as junketing unlikely to yield decisions of interest to practical people. But such a negative attitude would be a mistake. The fact is that, slowly and unpredictably, hard results with clear implications for businesses and individuals have begun to emerge from this international environmental diplomacy.

One example is the regular conferences among countries bordering the North Sea, the most recent of which met in the Hague in March. They have resulted in agreements to phase out industrial and sewage sludge dumping in the North Sea.

Moreover, the North Sea conferences illustrate another way in which international environmental gatherings can have practical effect. Increasingly, they are a platform for moral and political pressure on individual countries which appear out of step. The UK alone failed to abide by the 1987 agreement to end industrial dumping in the North Sea by January 1990, but the international and domestic clamour shortly before the Hague meeting finally forced the British Government to announce a timetable for phasing out the dumping.

Delegates may not return from Norway with comparable achievements, although some western European governments are hoping that ad hoc meetings in Bergen with ministers from the environmentally benighted eastern European countries could help to spark off a dialogue about cleaning up the eastern bloc.

However, two further conferences this year hold out the promise of clearer results. Indeed, it is no exaggeration to say that they will be test cases of environmental diplomacy. If the eco-crats leave them empty-handed, then the whole process of seeking international agreement to the world's environmental problems will have suffered a stinging setback.

The first of these is a conference on the ozone layer to be held in London next month. It will almost certainly see an attempt to strengthen the existing agreement, known as the Montreal Protocol, on phasing out ozone-depleting chlorofluorocarbons (CFCs), widely used in refrigeration, cleaning and air conditioning.

Countries which are party to the Montreal Protocol, including most developed countries, are committed to cutting their use of CFCs to 85 per cent of 1986 levels by 1998. If the June conference succeeds in strengthening this target, and parallel goals for reducing CFC production, it will send out an important message: the world can set and keep to freely-negotiated environmental objectives.

Another, arguably more important, task also faces the June conference – to draw developing countries into the process. So far, much of the Third World has fought shy of the Montreal Protocol, fearful of the costs of phasing out CFC use.

Developing countries account for a relatively small share of the world's CFC use at present, but this is set to change. A study prepared by Touche Ross for the Indian Government, for example, suggests that Indian use of ozone depleting substances will increase from about 10,000 tonnes a year now to 20,000 tonnes in 1996 and 45,000 tonnes in 2010, unless countervailing action is taken.

In advance of the June conference, officials from both the developing and developed world have been considering how to break the logjam. There is a growing consensus on the solution: "a funding mechanism is needed to help finance the developing countries' move away from CFCs," says a senior official in Britain's Overseas Development Administration.

For their part, developing countries stress that a transfer of funds and technology will be needed to persuade them to sign the Montreal Protocol. "We are willing to switch away from these substances, provided the incremental costs of substitution can be met," explains Mr Mahesh Prasad, permanent secretary at India's Ministry of Environment and Forests.

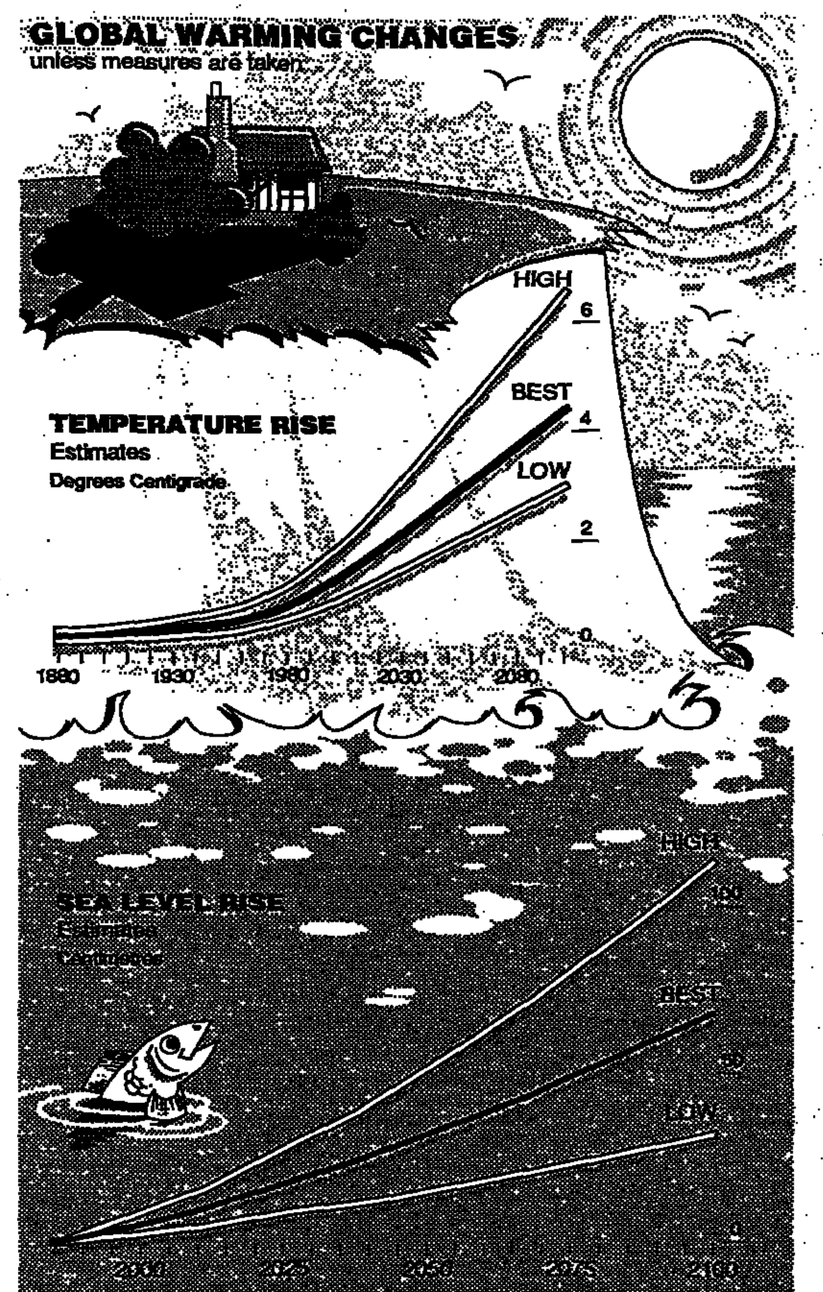
A fund to help developing countries jettison CFCs is practical politics because the costs would be relatively small by global standards. The Touche Ross study suggests that a strong option for India – total CFC phase-out by 2010 – would cost up to Rupees 20bn. A weaker option – phase-out by 2020 – would cost only up to Rupees 1bn by the year 2010.

The June conference may not agree on the exact shape or size of the funding mechanism; on whether it should be administered by an existing institution like the World Bank; or on how to tackle the tricky problem of relaxing patents and copyrights in order to encourage Third World countries to manufacture CFC substitutes. But failure at least to accept the principle of such a transfer of funds would be a serious blow to eco-diplomacy.

Protecting the ozone layer is a relatively manageable environmental problem. Lack of significant progress at the June conference would therefore cast a shadow over the second important gathering still to be held this year: a United Nations sponsored conference on global climate change in Geneva in November.

Sharp divisions are almost certain to surface in November, because global warming is a much more intractable problem than the ozone layer. The science is more complex: predictions of the rate of global warming as a result of the build-up of man-made greenhouse gases have to be made within wide margins.

The adjustment costs would also be much bigger. In particular, agreement to cut back on the world's emissions of CO would require a radical overhaul of electricity generation and transport, two activities fundamental to all industrial processes.



The US is seen as leading the sceptical camp, which also includes Japan and the Soviet Union. Senior US figures from President Bush down have this year voiced doubts about rushing into tough targets for greenhouse gas emissions.

Mr Michael Boskin, chairman of President Bush's council of economic advisers, warned an international conference in Washington last month of difficulties in forecasting the impact of global warming. "We are aware of very little systematic work on the impacts of sea level change, human health effects (if any), or the effects of possible climate change on forestry, fisheries, water resources, or biodiversity," he said.

The Scandinavians, the Dutch and the West Germans made plain their annoyance at what they saw as a crude attempt by the US to derail moves towards a global warming agreement. The eco-enthusiasts were sharply critical of the implicit US call for more research before measures are enacted. "We were hoping for a bigger mandate than just doing more research. I think it is necessary to act now," said Mr Hans Alders, the Dutch environmental chief, in Washington.

British officials like to portray themselves as honest brokers, steering a sensible path between the sceptics and the enthusiasts. But their counterparts in other European countries paint a different picture of the British attitude behind the closed doors of inter-governmental gatherings. They say that the British lead the attacks on the strongest measures advanced for dealing with greenhouse gases, such as higher petrol prices, a tax on fossil fuels (oil, petrol, coal and gas) and other greenhouse taxes.

The elaborate preparations for the November conference have reduced the scope for fudging its outcome. An Intergovernmental Panel on Climate Change has been established, which has appointed three expert working groups charged with drawing up detailed factual reports for the November conference. More than 1,000 scientists have been drawn into the working groups' deliberations.

The draft report from the first working group, that on scientific assessment of climate change, is adamant about the threat posed by global warming. It says: "Our best tools predict that, in the absence of other effects, man-made emissions will lead to the following changes: by the year 2020, global mean temperatures will have risen 1.8 deg C above pre-industrial (levels), with a probable range between 1.3 deg and 2.5 deg C. . . . By the year 2070, the range of temperature increase will be 2.4 deg to 5.1 deg C with a best estimate of 3.5 deg."

It is estimated that a global temperature rise of about 3.5 deg C would cause sea levels to rise by 30cm (12ins). As a result, low-lying areas such as the east coast of England, the Bangladesh delta and the Maldives would be inundated.

THE report is likely to be modified, with greater stress laid on the uncertainties surrounding the predictions, before it finally sees the light of day. Nevertheless, the basic predictions will probably remain unchanged, implying that by 2040 average global temperatures will be higher than at any time for 100,000 years, thanks to man-made greenhouse effects.

In the face of such data, it will be difficult for even the most sceptical industrialised countries to be seen to be dragging its feet in November. The best guess at present is that the conference will agree to draw up a convention on global climate change, which will commit participating countries to stabilise emissions of CO and other greenhouse gases.

In other words, the November conference will agree a framework for tackling global warming, but will leave the details to a further round of international diplomacy. This slow and deliberate approach is certain to anger green activists, but it can be said in its defence that it follows the precedent laid down by the deliberations leading up to the Montreal Protocol on the ozone layer.

Everything will be to play for during these further negotiations on mechanisms to combat global warming. Traditional green enthusiasts, such as the Scandinavians, are trying to accommodate the preference for market-based measures in countries such as the US and the UK.

Thus, Mr Thorvald Moe, special adviser on the environment to the Norwegian Ministry of Finance, dismisses calls for a global agency to control CO, backing instead the idea of taxes and tradeable pollution permits. "Regulation is too costly," he says. "If we are not sensible about the measures we use to reach these goals the whole process of negotiation might stop and be reversed."

The Third World is almost certain to lag behind the industrialised countries in agreeing on actions to tackle the greenhouse effect. In the medium term, it will be essential to draw large developing countries like China and India into the process. But substantial progress can be made without them in the short term: six countries – the US, Soviet Union, Japan, West Germany, UK and Poland – account for more than half of the world's CO emissions from buring fossil fuels.

Meanwhile, the tension between the sceptics and the enthusiasts will continue. "Being a missionary has never been a comfortable option," says one of Norway's most senior environmental officials.

OBSERVER

New man at the wheel

■ Tadashi Kume, who announced his retirement as president of Honda Motor yesterday, has done more than anyone to transform the international image of the Japanese car industry. Until he came along Japanese cars were renowned for their reliability and their dullness. His company may be the youngest, and smallest, of the Big Three Japanese carmakers, but it was the first to make a success of selling its product for its style and engineering, rather than its price. The effect on the competition has been such that Honda itself is now regarded as among the more conservative.

An engineer by training, the 58-year old Mr Kume spent his entire career in Honda's R&D subsidiary before becoming president in 1983. His zest for innovation soon showed up in the group's overall direction. Honda was the first to capitalise on the potential of the US market – its Ohio factory is the single biggest car plant in the US – and it has been digging into Europe, through an enlarged co-operation scheme with the UK's Rover. Two thirds of its revenues now come from overseas.

Honda has always been an industry maverick. It was the first Japanese carmaker to export cars from the US back to Japan, and it will be the first next year to export from the US to Europe as well, a move which is bound to ruffle a few feathers in Brussels and elsewhere. Mr Kume's successor – Mr Nobukiho Kawamoto, another R&D man – has the unenviable task of proving that Honda has lost none of its old flair.

New note

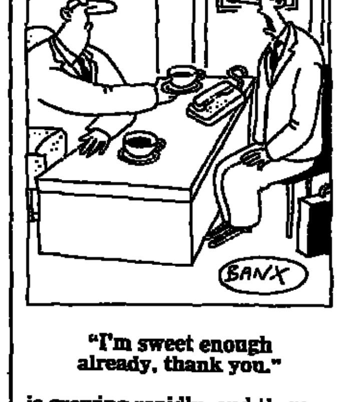
■ Is the era of white domination in South Africa well and truly over? The South African Reserve Bank seems to think so. Yesterday it announced it was redesigning the country's banknotes - and removing the portrait of Jan van Riebeeck, the Dutchman who founded the first permanent settlement in the Cape in 1652.

From now on, South African notes will carry pictures of the "big five" wild animals from the country's game parks: rhinoceros, buffalo, lion, elephant and leopard. The new notes could have a fairly short life, however. The first of them are not due to appear until October 1992; by then, South Africa might be well on its way to black government. And the Reserve Bank could find itself commissioning a portrait of Nelson Mandela to replace the rhinos and the buffaloes.

Buggin's turn

■ To many ordinary folk, the starting salary for freshly minted top business school graduates of upwards of £35,000 a year would seem reward enough. But this has not stopped the rather silly ceremony of the annual MBA of the year award. Yesterday it was the turn of Geoffrey Mulcahy, Kingfisher's chief executive, to follow in the footsteps of Courtaulds' Sir Christopher Hogg and Jaguar's Sir John Egan, and be named whizz kid of the year.

Presumably, John Ashcroft, Coloroll's ex-chief executive, has blotted his copybook sufficiently, so that he is an unlikely future contender. But if the award continues for much longer doubtless ex-business school boys, such as BP's Bob Horton, or British Telecom's Iain Vallance, will be trotted out to collect it. There is nothing wrong with them as businessmen, but there is something seriously wrong with the MBA industry.



"I'm sweet enough already, thank you."

The number of new MBAs is growing rapidly, and there is hardly a city in the UK which does not boast a business school(Manchester has four). It is a growth industry with serious quality control problems, and is long overdue for rationalisation. Would it not be refreshing if Cranfield School of Management were to make a takeover bid for Manchester Business School? Even better, a foreign predator like Insead. The executive who organised that would justly deserve the MBA of the year award.

Expenses

■ At 42 Stephen Walls, chairman and chief executive of Wiggins Teape Appleton, the pulp and paper group which is being demerged from BAT Industries, is still entitled to be a young businessman. But he is also a takeover battle scarred veteran who is putting his experience to good use.

He has twice been on the receiving end of unwelcome bids, first as vice president of finance at Chesebrough-Pond's, and more recently as chief executive of Plessey. He was reputed to have walked away from Plessey with £1m – more than enough to buy his new black Porsche – and now stands to collect another handsome packet if his new employer is gobbled up. WTA's listing particulars published yesterday show that aside from an annual salary of £275,000, plus a bonus of up to 50 per cent, he would receive £825,000 if the group was to be taken over within six months of the listing which resulted in his status being "materially diminished."

Pat Sheehy, chairman of BAT, assures me that this is a perfectly normal arrangement, and reckons that institutional shareholders will give WTA a chance to prove itself as an independent company. So despite the hectic merger activity in the pulp and paper industry, Walls is unlikely to collect the £825,000. In any case, he wants to get back to being an aggressor.

Women at work

■ The authorities in Sacramento, California, are reported to be in some embarrassment over a request from the city's engineer. Bearing in mind that he works for a council with a majority of women, he has asked for proposals for a non-sexist name for manhole covers.

He should have known. Most of the proposals have fitted his name, Randy Witt - though colleagues say he is a notably clean-spoken man. Meanwhile the leading women of the council are issuing hasty disclaimers. Perhaps he should settle for about the only suggestion which is both printable and original - "USA hole", for Underground Service Access. Where else, after all, could it have happened?

William Hall

POLITICS TODAY

Parliament should get off its back

By Joe Rogaly

The production of new national constitutions has become a growth industry, albeit in a series of small niche markets. It is extremely buoyant in eastern Europe. A promising opportunity is opening up in South Africa. In Britain the prospect is not too bright.

The Liberal Democrats, and some pressure groups like Charter 88, are far along the road, but neither of these is about to change the world. The Labour Party is tinkering with the idea of a new constitutional settlement, and a number of Tory politicians will agree in private that particular improvements are desirable, but the attitude of the Conservatives under Mrs Margaret Thatcher remains as hidebound as ever. We have a 700-year-old Parliament and a Queen, the Prime Minister reminded us the other day. What is more, she intimated, we do not want anyone to touch those sacred bastions of independence and freedom under the law.

A translation might be: the 700-year-old Parliament is a wonderfully supine body that rubber-stamps virtually everything the Prime Minister sends it, while the existence of a powerless monarch overlays the entire confidence trick with a spurious aura of legitimacy.

This elective dictatorship – which the Labour leader, Mr Neil Kinnock, seems anxious to preserve for his own possible use – stands in shaming contrast to the more balanced democracies of continental western Europe, not to mention the higher aspirations of the Poles, Hungarians and Czechs. The East Germans will no doubt adopt the democratic mechanisms of the federal republic, which are superior in almost every detail to those of the United Kingdom. It is now becoming possible to envisage eventual agreement on a respectable new constitution for South Africa. If, as is highly likely, it provides for more effective control over the executive than is the case in Britain, we may in due course see a South African prime minister – Mr Nelson Mandela, perhaps, or possibly even his putative deputy, Mr F.W. de Klerk – lecturing the British on how to run a democracy.

For the essence of a democratic constitution is a mechanism that produces a proper balance of power between Parliament and ministers, with independent courts holding both in check. This was spelt out by the Austrian Chancellor, Mr Franz Vranitzky, in Bordeaux on Monday. "New constitutional structures will have to be created, such as an executive responsible to an elected government and to a watchful, alert and sensitive public opinion," he told a meeting of the International Press Institute.

Mr Vranitzky was, of course, talking about the newly-liberated countries of eastern Europe. Yet our ancient British polity also needs such a reminder (although I doubt that the Austrian Chancellor took the liberty of delivering it when he visited Mrs Thatcher on Tuesday). For the British Government was not responsible to an elected anything when, in 1988, it rounded up a posse of nobles, many of them unheard of before or since, to push the poll tax through the House of Lords. Its deference to the House of Commons is visible only when its own backbenchers threaten a sizeable revolt, as may yet happen with the community charge. Its responsibility to a "watchful, alert and sensitive public opinion" seems to be exercised to the full only during that twentieth part of an average term of office when a couple of months must be set aside to finesse a general election.

The negative economic consequences of Britain's resolute and perverse refusal to contemplate a proper reform of its constitution have been rehearsed in this space before. Generally speaking, we are cursed with short-termism, unecessarily adversarial politics, excessive prime ministerial power, a civil service whose contempt for the average Member of Parliament, senior ministers excepted, increases every year, and policies based on batty ideological notions. The poll tax is only the latest and most extreme example of the latter. What is required is a technical, preferably all-party, examination of the proper functions, structure and financing of local government. What we are getting is parliamentary ping-pong, enlivened this week by Mr Michael Heseltine's attempts to take over the game.

We are also getting a steady erosion of civil liberties, which is an inevitable product of Acton's dictum about all power corrupting and absolute power corrupting absolutely. Before going a millimetre further, let me acknowledge that the corruption brought about by power is not confined to Britain: this very week the French Socialist Government was saved by the Communist Party from defeat in a parliamentary vote which it should have lost. The issue was a new law aimed at ending the cosy practice of "persuading" businesses to set up slush funds for political parties. It seemed a good enough idea, but it was accompanied by an amnesty for offences committed before June 15 1989. Several politicians, including some in President Mitterrand's Socialist Party, were thus let off the hook. French voters are outraged.

Again, it would be absurd to point out deficiencies in the protection of individual rights in Britain without first noting that the east European renaissance of 1989 has revealed the infinitely greater horrors of totalitarian regimes. Yet the gross excesses of Communism do not excuse lesser transgressions in a democracy that boasts of being the mother of them all. Transgressions? The evidence is to be found in a new book published by Oxford University Press yesterday*. On my reading of it, there has been a disturbing tendency for the British Government to adopt powers to bear down on individuals whose words or actions arouse the suspicions of the state. That is a long way of putting it, but in these matters it pays to choose one's words carefully.

The authors – K.D. Ewing, professor of public law at King's College London and C.A. Gearty, a Cambridge lecturer in law – have, however, chosen the unfortunate three-word title of Freedom Under Thatcher. This wrongly implies, as the book itself does not, that the rot only set in on May 4 1979, when Mrs Thatcher first took office. Matters have indeed worsened over the past decade, but the elective dictatorship, with its potential for heavy-handed and secretive administrative decisions, has existed for considerably longer than that.

For example, it was during the 1970s that Britain's internal spies, MI5, classified Ms Patricia Hewitt and Ms Harriet Harman as subversives, in breach of the European Convention on Human Rights. The two ladies have done well enough since: Ms Hewitt is a pillar of a new Labour think-tank and Ms Harman is now Labour MP for Peckham, but it took an appeal to the European Court of Human Rights, whose judgment was confirmed by the Council of Europe at the end of April, to clear their names and expose MI5's malfeasance. The Government agreed to pay the expenses of the case, amounting to more than £50,000. Officials have since put it about that the 1989 Security Service act, which came into force at the turn of the year, provides a satisfactory tribunal for future complaints. But there is no independent scrutiny here: if a judge or two plus a minister or two should ever be in cahoots, a misdemeanour by MI5 would remain a secret. This applies to phone-tapping as well as other forms snooping.

As Ewing and Gearty point out, the Security Service Act extends the power of MI5 by authorising it to do that which was previously done unlawfully. This is by no means the only example of the erosion of liberty in Britain. Police powers have been extended, and codified, while the principle of self-policing – allowing the force to be its own judge and jury – has been entrenched. This is worrisome at a time when revelations of police malpractice have become so frequent as to be commonplace.

Many of the increases in the powers of authority have taken place in response to perceived challenges to public order, such as the 1984-85 miners' strike, or the terrorist threat posed by the IRA. This is always a problem in a democracy: how much are the principles for which it stands to be compromised in an effort to defeat those who live by entirely different rules? Mrs Thatcher's Government would have a better case if its compromises were all temporary, and seen to be so, and a better one still if its policies were seen to be working. The use of the police during the miners' strike did work, but the damage done to the legal system is not temporary. The array of tactics used against the IRA, including the ban on the direct broadcasting of statements by its leaders, does not so far seem to be working. The British Government is caught: it has neither the ruthlessness with which to fight a dirty underground war, as might a totalitarian state under similar attack, nor the cunning to manage a democratically clean approach.

The usual remedy proposed for all of the above is the introduction of a bill of rights, or the incorporation of the European Convention into British law. The authors are sceptical about this, partly, it seems, because they do not trust British judges to come down on the side of either liberty in general or the aggrieved individual in particular – at least not against the wishes of the executive. This mistrust is backed by some evidence of judgements that might have gone another way. "We have seen demands for electoral reform; devolution; an elected second chamber; reform of the judiciary; and freedom of information," they write. "It is . . . in such proposals to redress the balance of political power, rather than in such cosmetic changes as a bill of rights, that the protection of civil liberties in this country ultimately depends."

I think they are a bit hard on the judges, who are not uniformly conservative or authoritarian by nature, but their general proposition, that we need a fresh commitment to an entire new constitution, is spot on.

* *Freedom under Thatcher. Civil Liberties in Modern Britain. K.D. Ewing, C.A. Gearty. OUP*

LOMBARD

Farewell to snake oil

By Michael Prowse

THE revelation that President George Bush no longer regards himself as bound by his "no new taxes" campaign pledge is the best news to have emerged from Washington in years. It does not imply an immediate fiscal transformation: in the short run the best that can be expected is a modest (say $20bn to $30bn) increase in indirect taxes. But in the longer term, Mr Bush's new realism could spell the end of structural federal budget deficits and the beginning of a more balanced world economy.

Supply-side apologists often argue that the Reagan tax cuts did not cause the budget deficit. On the contrary, the red ink primarily reflected congressional opposition to planned spending cuts and lower than expected inflation. Even if this is true, it does not excuse the failure of the Reagan and Bush Administrations to take decisive fiscal action once the deficits *had* emerged. The result was a sorry spectacle: a rich nation voluntarily turning itself into the world's biggest debtor. Egged on by the supply-siders, the US greedily imported capital that might otherwise have helped relieve hardship in the Third World.

Mr Bush's decision not to allow future tax negotiations to be fettered by past positions, including his own, was apparently triggered by the recognition that next year's ludicrously optimistic deficit target of $64bn might be exceeded by as much as $100bn. The culprits include higher than expected interest rates, slower than forecast economic growth and the exploding cost of bailing out the savings and loan industry. Without tax increases, mindless across the board spending cuts (which nobody wants) look unavoidable.

Having distanced himself from supply-side extremism, Mr Bush must decide which taxes he is willing to raise. Obvious targets include duties on alcohol and cigarettes, and energy taxes. The latter, which should have been raised when oil prices slumped in 1986, are absurdly low by world standards. Gasoline still costs only about $1.10 a gallon: each extra cent of taxation would raise about $1bn. Income tax, of course, will remain out of bounds – although Democrats could justifiably argue for an increase in the marginal rate faced by top earners.

But messing around with excise duties is a short-term expedient. If the US is to become an economically-efficient and socially-just society in the 1990s, the federal government is going to need a lot of additional revenue. The US education and training system is in disarray. About 15 per cent of the population lack health insurance. There is a widely acknowledged shortage of affordable housing. Inner cities are physically crumbling. The welfare safety net is riddled with holes. The ageing of the population is putting up the cost of public pensions. In the face of such pressures, responsible Republicans, such as Herbert Stein at the American Enterprise Institute, are openly conceding the case for substantially higher taxation.

The long-run challenge is to achieve a permanent transfer of a few per cent of GNP from private consumption to public investment. The least offensive way to bring this about would be for the US to introduce a federal value-added tax (VAT). At present there is no general consumption tax although individual states levy retail sales taxes at rates of between 4 and 8 per cent. As a result the US is unusually reliant on income taxes. For example, according to OECD figures, the average rate of consumption tax (including specific duties) is 7.6 per cent in the US compared with 20.8 per cent in West Germany, 22.3 per cent in the UK and 24.6 per cent in France.

The snake oil recipes of the Reagan years did not work. Supply-side economics left productivity and real earnings stagnant. It allowed international debts to mushroom while the social infrastructure fell into disrepair. Mr Bush is an intelligent fellow: surely he can see that a consumption tax is the obvious cure for a consumption binge. A US VAT, levied at a rate that would seem insignificant in Europe, is the long-term solution to the US's fiscal imbalances.

LETTERS

Doubts over UK attitudes to industry

From Mr Maurice Nadin.

Sir, Would it not be useful if Lex (May 9) explained what exactly is wrong with the Deutsche Bank's rule which limits shareholders voting rights to 5 per cent irrespective of the size of their holding?

Presumably Lex's dislike of the Deutsche Bank shareholder voting system is based on the ancient British view that control of more than half of the voting equity of a company gives control of that concern. Has that helped the UK economy? I doubt it.

In West Germany, takeovers and mergers since the war have been few and far between. The City of London, where takeovers and mergers have been the lifeblood of corporate activity for 40 years, has been the dynamo of the UK economy.

However, in West Germany, manufacturing industry rather than merchant banking has been the chief economic force. In the UK we have squabbled over who controls industry for more than four decades.

I remember being informed by Harold Wilson that the coal miners would work much harder if the pits were nationalised. I did not believe him then, nor do I now.

The results are plain for all to see. West Germany is achieving record exports and we are in the middle of yet another balance of payments crisis.

Maurice Nadin,
Blackhouse, Thorpe,
Egham, Surrey

Fair rewards for directors

From Mr Andrew Greenwood.

Sir, Mr Edgar Palamountain (Letters, May 5) calls on a leading company to set an example in the area of executive remuneration.

I have just received a copy of BTR's accounts (ranked ninth in the UK in terms of capitalisation) for the past financial year. Emoluments of the chairman and highest paid UK-based director have increased by about 14 per cent to £173,000 and £170,000 respectively, hardly unreasonable for a company that also reports a pre-tax profit increase of 32 per cent (down from the previous year's rise of 39 per cent).

Required declarations on directors' interests indicate most of their rewards are obtained from capital growth, as suggested by Mr Palamountain.

I doubt that this example will bring about the hoped for "dramatic effect." More successful might be concerted action by a large Unit Trust shareholder towards a company that has performed particularly badly while senior executives received unjustifiable increases.

After all, are such companies likely to produce the sort of returns unit holders expect? Also, given the strength of feeling on this topic such action might work wonders for their inflow of investment funds.

Andrew Greenwood,
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122 33 Enskede,
Stockholm

Improvements in fee transparency to be welcomed

From Mr Giles Conway-Gordon.

Sir, Barry Riley's article on fee transparency in the FT's Pension Fund Survey (May 3) raises several matters which are of interest to pension funds, consultants and investment managers.

All improvement in fee transparency must be welcomed in spite of Mr Riley's reports of the attractions of opacity to some trustees. The main factor which muddies these particular waters is undoubtedly the propensity for some managers to receive effective remuneration which is undisclosed and related to the level of transactions.

Equally, the move towards relating fees to performance is a desirable one. Unless a fund decides to "go passive" and to hand over responsibility for performance to an index, it is reasonable that investment managers should be paid in large part on the basis of performance.

However, Mr Riley's disapproving comments on the increasing use of unit trusts in pension fund portfolios should not pass unchallenged. The fact is that constituting a pension fund portfolio, as we do, from a group of unit trusts and mutual funds specifically created to provide a wide range of geographical and risk exposure, has direct advantages in spread of risk, flexibility, publicly demonstrable performance and, perhaps more importantly, in the distinction it enables between asset allocation decisions at one level and the specialist management of securities in individual market places at another.

These advantages result in an improved bottom line performance which more than pays for the expenses inherent in such a structure. What is, of course, crucially important is that these "internal expenses" should be fully disclosed and taken into account in agreeing the manager's fee.

An appropriate fee structure will therefore tie together the requirement for transparency, the expense of using unit trusts and relation to performance. In effect, the fee payable is foregone, up to an agreed level, to offset the internal expenses inherent in the structure. In this way a pension fund client will only pay a fee where (a) performance exceeds an agreed yardstick and (b) the internal expenses of unit trusts or funds making up the portfolio have already been earned back by the manager in performance.

Giles Conway-Gordon.
Global Asset Management Ltd,
GAM House,
12 St James's Place,
London SW1

Keeping the wolf away from Globe Investments

From Mr Michael Hart.

Sir, Barry Riley's article on the bid for Globe Investment Trust ("Discounting a vital issue in the takeover stakes," May 7) reports that Mr Paul Whitney, speaking for British Coal Pension Funds, believes that most investment trust managers welcome the bid; removing the alleged over-supply and reducing the discount is said to create an opportunity for new issues.

Let me assure Mr Whitney that my own enquiries indicate exactly the opposite: investment trust managers do not have the same confidence that Little Red Riding Hood unwisely placed in the wolf.

I have been in the Far East during the past fortnight but the AITC's submission to the Office of Fair Trading urging a referral of the bid was prepared with my full authority. And having spoken to all available members of my executive committee, I can assure Mr Whitney that they all wholeheartedly support our argument.

Our position is simple. So long as substantial tax incentives are available to members of pension funds, while the private shareholders must save on an after-tax basis, pension funds will become the dominant force in all listed companies.

Give the private investor equal tax privileges and fair competition will then decide the balance between investment trusts and pension funds; the discount would disappear.

The market cannot make a fair decision when the contestants are unevenly balanced. It is on this issue of unfair competition that the OFT should live up to its name and recommend the referral of the bid, remembering that, in the German version at least, Little Red Riding Hood was rescued.

Michael J. Hart,
Association of Investment Trust Companies,
Park House, 16 Finsbury Circus, London EC2

Faxing problem

From Mr N.M. Rimmington.

Sir, How many times do you ring a telephone number from a letter head only to get the beeps and whistles of a facsimile machine.

Could there not be an agreement to set up a convention whereby traditional telephone numbers are recorded at the top of the page and facsimile numbers ones at the bottom.

I know British Telecom would oppose this because it would lose considerable revenue, but for the busy consumer it would be a boon.

N.M. Rimmington,
3 Challenger Drive,
Sprotbrough, Doncaster

FINANCIAL TIMES

Friday May 11 1990

Time to shuffle the US budget pack again

Bipartisan talks on how to reduce the deficit begin next week, writes **Peter Riddell**

THE door of the budget negotiating room has been opened by President George Bush and Congressional leaders have stepped warily in. But they have not yet sat down, let alone agreed how to reduce the Federal budget deficit.

However, after more than three months of inaction over the 1991 budget, the agreement to start bipartisan negotiations next Tuesday with no pre-conditions has started a frenzy of speculation that Mr Bush is *about to scrap his "no new taxes" pledge.*

But this is premature and in the past 24 hours the White House has been stressing that the term "everything is on the table" does not mean that the President will accept higher taxes. The only common ground is that the deficit has increased sharply since the Bush budget in late January and more drastic action is needed than either the Administration or Congress have so far suggested.

The budget deficit for fiscal 1991 starting this October was estimated in January at just over $100bn if no action was taken, widely seen as an underestimate at the time. Mr Bush proposed tax and spending measures of $36.5bn to reduce the deficit to the $64bn target for 1991 under the Gramm-Rudman law.

Mr Richard Darman, the budget director, now estimates *that measures totalling* $55bn to $60bn may be needed to hit the 1991 target: four times last *year's deficit reduction package.* The change reflects the combination of higher than expected interest rates (adding $10bn alone) and lower than forecast taxes from corporate profits (down $8bn-$9bn).

This is not taking into account the extra costs of the rescue of the savings and loan industry which, according to the Congressional Budget Office, could add another $30bn or so, pushing the excess above target to nearly $100bn.

Both sides are likely to find some way of excluding the *savings and loan costs from* sequestration calculations - not least because, as Mr Robert Michel, the Republican Minority leader, has pointed out, any action beyond $45bn-$55bn and "you do things that may be injurious to the economy. You can only do so much."

The original Bush budget is now dead, and House Republicans did not even bother to push the Bush version to a vote last week. However, the House and Senate versions would only cut the deficit by *between $37bn and $43bn,* including large unspecified additions to revenue.

The pressure for an early bipartisan agreement comes not only from the increase in the deficit projections and this November's mid-term elections (affecting a third of the Senate and all of the House) but also because of the threat of across-the-board spending cuts. Under the Gramm-Rudman law such cuts, known as sequestration, would come into effect in mid-October to meet the deficit target if a budget has not been approved by then.

Budget Tax Options - revenue in 1991

A one percentage point Value Added Tax	$29bn
Doubling the tax on cigarettes to 32 cents a packet	$2.8bn
Oil import fee of $5 a barrel	$8.5bn
Increase gasoline/petrol tax by five cents a gallon	$5bn
A 5 per cent tax on energy use	$14.2bn
A 0.5 percentage point tax on the transfer of stocks	$7.6bn
Raise income tax rate to 33% from 28% for the wealthiest	$3.8bn

Source: Congressional Budget Office.

IN practice, the cuts are not even. Already *committed* defence contracts, social security and other retirement benefits are exempt *so* that action to reduce the deficit by say $45bn to $55bn would cut many other domestic and uncommitted defence programmes by 15 per cent or more, hitting education, public housing, science and roads very hard. This is politically unacceptable to all parties, hence the search *for* an agreed deficit reduction package.

Democratic Congressional *leaders believe that higher* taxes must form part of any deficit reduction package. But they fear a trap, and think the Republicans will brand them as the party of tax increases.

Mr Bush's "no new taxes" pledge has always been elastic. Mr Darman has talked of the duck test - "if it walks and quacks like a duck it is a duck" - whereby new taxes are what the public regard as tax increases. This leaves room for euphemisms such as loophole closers, revenue enhancers and user fees, including airline ticket and telephone taxes. *Last* year's budget included $5.5bn from such devices and the January budget had nearly $14bn in revenue *increases (in* part from the initial favourable impact of a cut in capital gains tax) and roughly $5bn in user fees.

The question is how far the pledge can be stretched without breaking. Many Congressional Republicans are already up in arms over the prospect of a tax increase: 19 senators wrote to Mr Bush expressing strong opposition. Republican strategists argue that a firm line against tax increases is one of the few issues clearly *differentiating them from the* Democrats and working in their favour.

Mr Darman has sought to allay some these fears. He has said the Administration did not "embrace" ideas such as a value added tax, taxes on alcohol and cigarettes and national lottery, while it also did not regard "increasing marginal income tax rates as being good for economic growth" or "an *appropriate idea."*

The bottom line for Republicans is probably no increase in *income tax or any new sales* tax. There may be some room for manoeuvre in indirect taxes, though big revenue raisers, such as in the accompanying table, would all be highly controversial.

Democrats will insist on some action on the tax side - for instance, raising the top marginal income tax rate for the wealthy - to balance any cut in capital gains tax or cutback in the cost of living adjustment to social security and in Medicare health programmes for the retired.

ONLY *a limited amount* can come in the short-term from larger cuts in defence spending. House and Senate plans envisage cuts of $8bn-$10bn more than the Bush budget, which the Administration regards as excessive.

Mr Bush also wants reform of the budget process. He is urging both the ending of loophole which allows no penalty on excess spending after the start of a fiscal year and the introduction of the line-item *veto. This would allow him to* veto specific provisions in legislation, subject to an over-riding vote by Congress, rather having to oppose the whole.

In his introduction to the late January budget, Mr Darman talked of the annual ritual of the "Beat-the-Budget" game whereby "stalemates are followed by heroic compromises that earn the parties self-congratulation, but somehow manage to leave much of the serious job to the future." Few in Washington would yet bet *against that happening again* this summer.

THE LEX COLUMN

B&C's plea for a decent burial

British & Commonwealth is putting a revolver to the heads of its creditors and shareholders. The plaintive tone of yesterday's appeal for forebearance from the aggrieved holders of its loan stock and shares should not obscure its blunt underlying meaning. Call a default, or put in a receiver, and you get nothing. Agree to S.G. Warburg's work-out plan, and you may get some money *back over two* years. At this stage, with no balance sheet to go on, stockholders and shareholders have no option but to take B&C's word for it, and co-operate in an orderly liquidation.

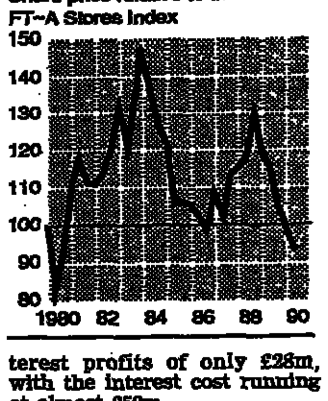
But part of the price for that co-operation must surely be the immediate departure from B&C of Mr John Gunn, the remaining board member chiefly responsible for this *fiasco. This is no mere* symbolic issue, aside from the fact that it does capitalism no harm *for a failed chief* executive to go from time to time *pour encourager les autres.* It is hard to see that Mr Gunn has any useful function at B&C. The nearest equivalent is Ferranti, whose chairman stayed until he had sold its radar division. But B&C's assets are largely financial businesses and real estate, which Warburg should be quite competent to sell. They have none of the defence *industry sensitivities* which Ferranti's chairman knew inside out. The clinching factor is that on past form, while Mr Gunn remains, share and stockholders cannot feel confident in the handling of B&C's affairs.

At the same time, it is unsatisfactory that the Bank of England has given almost no guidance, in public at any rate, on the affair's regulatory aspects. The only part of the group whose survival is essential for the rest of the City is Exco, its money-broking subsidiary. Given the nature of its business, it is probably well *insulated from the B&C* disaster: it would help to have this confirmed.

Sears

Sears

Share price relative to the FT-A Stores Index



Sears has never really grasped the art of pleasing the market. Yesterday's full year figures disclosed property profits for the first time: but they also ceased to break down profits from retailing. Indeed, some of the detail *is fairly grisly.* Footwear profits are apparently down by £39m to a little *over £60m, with the fall more* pronounced in the second half. The Freemans acquisition still looks a disaster; more than two years later it is making pre-interest profits of only £28m, with the interest cost running at almost £50m.

This year there should be little change in retailing profits proper. In housebuild*ing – down by a thumping 57* per cent last year – there should be a further fall in trading profits, offset by the effects of a reduced building programme on cash flow and thus the interest charge. The real snag is in property, where the sales programme looks like being postponed in a weak market. Even if the headline figure for pre-tax profits comes out unchanged, it will still be lower than two years before. The hope for the following year is that the cost pressures *reduce as volume recovers: but* that is the devout wish of every retailer.

At yesterday's 89p, the shares are on around 13 times earnings. But this hardly matters: the determinants are the 90p per share net asset value and the 8 per cent yield. Since neither of these are likely to change in a hurry, there seems little reason for the share valuation to change either.

Harrisons & Crosfield

The sale of Crossley makes *sense for both vendor and purchaser.* Bowater brings down its gearing from 131 per cent to *77 per cent* and sheds one of its non-core activities; its shares rose 21p to 478p accordingly. For H & C, the purchase greatly strengthens one of its three and a half key divisions. Depending on how one treats heating & plumbing distribution, the combined Harcros/Crossley will be battling for the top of the builders' merchanting league with Meyer International.

The merchants' sector has been consolidating fast over the last two years, prompted by the potential gains from increased buying power and shared overheads. If there is a rebound in spending on repair, maintenance and improvement, H & C should quickly be able to squeeze more profit out of Crossley, although it will need to run hard to prevent earnings dilution in 1991, when the rights issue shares will be in for a full year. The issue is an expensive exercise for the company; H & C's shares are yielding 8 per cent at last night's close of 150p and 9 per cent at the rights price of 132p. But such a healthy yield for what recently was a FT-SE stock ought to protect the offer from disaster, even in this market.

Wiggins Teape

On the evidence furnished by the listing particulars, Wiggins Teape Appleton is not *quite as fireproof as advertised.* If the 9 per cent drop in first quarter trading profits were repeated for the full year – and it could be – the outcome would be lower than three years before. As the company points out, the average drop in first quarter earnings from US paper companies is running at 22 per cent: but these are companies trading on seven or eight times earnings. *If Wiggins Teape is to hit its* opening target of over 10 times, giving a market value of over £1bn, *it would help to demon*strate that it is more proof against the cycle than its rivals.

Part of the argument for this rests on the present dynamic state of the European paper industry. In particular, it is suggested that the merger of Stora and Feldmühle puts pressure on a market in which control of distribution is of increasing importance: and that Wiggins Teape, as one of Europe's biggest paper merchants, occupies a pivotal position in the process, whether as purchaser or as target. The other argument for a premium *rating is one of rarity value: a* FT-SE stock which represents a unique exposure to an industry *which dropped out of* the average portfolio decades ago.

Markets

Yesterday brought a neat confirmation of the paradox of stagflation in the UK. In its Quarterly Bulletin, the Bank of England hammered home its worries about rising wage costs and output prices. At the same time the roll-call of profit *warnings extended for the first* time to one of the battered veterans of the last recession, GKN, whose *shares promptly* fell 8 per cent.

Bank of England backs economic policy

By Andrew Marshall, Economics Staff, in London

THE UK Government's economic policies won backing from the Bank of England yesterday, but with a warning *that inflation will be close to 10* per cent for several months.

"There is little chance of any significant reduction in interest rates for some time to come," the Bank said.

High interest rates have been successful in slowing down the economy, the Bank says in its May Quarterly Bulletin. However, it cautions that base rates will have to stay for the time being at their present *level of 15* per cent, because of the continuing inflationary threat.

Base rate rises over the last two years have slowed consumer demand, the Bank says, and there is now evidence that the corporate sector is following suit. "The economy is on course, and domestic policy would seem to be tight enough."

However, inflation has been slow to respond, and in the short term will rise further. The poll tax, and rises in *excise* duties and utility prices will push up the retail price index to "close to 10 per cent for a period," though *it* should decline before the end of the year.

This is the highest official forecast yet for UK inflation. It means that the Treasury's forecasts of an annual increase of 7.25 per cent in the RFI for the fourth quarter of 1990 are very unlikely to be met.

The annual increase for the RPI for April, released today, is *expected to be 9.7 per cent, its* highest level since May 1982, according to a survey of predictions by IDEA, the financial research company. But some analysts are expecting the rate to go over 10 per cent. The Bank believes that the April figure will not be the peak.

The Bulletin further warns that underlying *inflation* will continue increasing after the RPI peaks, perhaps for as long *as 18 months. It notes that* manufacturers' output prices – "a better representation of *underlying inflation,"* which strips out elements such as mortgages – are rising steadily. "This index is now beginning to show the effects of increased wage settlements, slower productivity growth and last year's sterling depreciation."

There is also an increasing *risk* of inflation from continued growth abroad, the Bank warns. In particular, German *unification could put further* pressure on European prices and output, possibly leading to higher *interest rates.*

Though it is not axiomatic that this would lead to a rise in UK interest rates, the Bank made its concern about further slippage of sterling plain and hinted that it would like to see sterling appreciate.

At the same time, higher growth *in the rest of the world* has helped UK exports and should lead to a significant *improvement in the trade bal*ance, the Bank says. As UK manufacturers reduce their *stocks of goods,* imports should also return to their trend of slow growth.

But it warns that although productivity rose faster in the UK last year than in major competitors, earnings also grew "much too quickly" and this may undercut export performance. The Bank warned in *its bulletin that* wage moderation will be crucial if a rise in domestic unemployment is to be *avoided.*

"If . . . wage-bargainers sought to match increases in the temporarily misleading RPI, the outcome would be an increase in costs well in excess of that in competitor countries, which would mean that many risked pricing themselves out of jobs."

The gloomy picture on inflation is part of a sermon on the virtues of tight monetary policy, which *is* spread throughout the bulletin. It incorporates the speech given in Durham recently by Mr *Robin* Leigh-Pemberton, the Bank's Governor, in which he says that "something has gone quite badly wrong" in the economy, because of "policy mistakes and forecasting errors." In particular, "interest rates were reduced over a period during which we now *see they* clearly should not have been."

The message from the bulle*tin is that the economy is slow*ing down, and thus the Government's policies are on the right track – but that they have to be continued. The budget re-emphasised the authorities' desire to keep the stance of fiscal policy tight, and supported monetary policy, the Bank says.

Although doubts about the increase in consumer expenditure surfaced earlier in the year, *the Bank* says that the fall in retail sales in March suggests that that was a tem*porary diversion from* the trend. "Private consumption should continue to be restrained, as the higher mortgage rate announced in February and the community charge payments take effect," the bulletin says.

There is also increasing evidence that the slowdown is extending to the corporate sector. Not all of the corporate sector will be equally affected. *"Companies oriented towards* export markets or staple non-durable consumer goods, particularly food, have so *far* fared relatively well and may be less inclined to cut investment." Construction and housing-related activities, as well as heavily geared retailers, have been most seriously affected.

Markets, Section II

Collor faces fight over civil service cuts

By John Barham in Sao Paulo

BRAZILIAN President Fernando Collor de Mello was braced for a battle with the country's powerful bureaucracy yesterday following his decision to cut the civil service by a quarter within a month.

Mr Collor plans to cut *300,000-360,000* jobs from 1.6m civil service employees by the end of June. This is the largest *single cut ever proposed in a* state payroll by any Latin American nation.

About 212,000 civil servants are to be dismissed, while the remainder are guaranteed job security under the 1988 constitution. They will be held in reserve on reduced pay, which the Government hopes will persuade them to seek jobs in the private sector.

Mr Collor announced the cuts during a televised cabinet meeting on Wednesday in which he demanded greater results in spending cuts from his 12 ministers. A list of 10,000 jobs to be cut will be published today.

It is too early to tell whether so many could feasibly be pruned in such a *short* time without serious disruptions.

When he took office on March 15, Mr Collor pledged to reduce public spending by $20bn this year. Despite dramatic gestures, the results so far have been disappointing. Mr Collor said this week: "It is imperative that we proceed immediately, urgently, to seek concrete results that maintain and accelerate the pace of reform."

At the cabinet meeting, Mr Collor handed each minister a file containing spending reduction targets for each department. Ms Zelia Cardoso de *Mello, the Economy Minister,* also announced plans to privatise one state company a month, *beginning in July.*

Most ministers have been too busy assembling their teams and detailing their policy objectives, to implement meaningful cuts yet. Mr Joao Santana, Administration Secretary, who is supervising the reductions, complained that he *faced* unexpected practical difficulties in closing agencies and sacking staff.

The inaction on the cuts is angering the private sector, which has suffered heavy tax increases, equivalent to 4 per cent of gross domestic product this year alone, and had bank accounts frozen. Financial markets are unnerved by indications that inflation has not been brought entirely under *control. Deep spending cuts* are needed to convince markets that high inflation is a thing of the past.

Mr Collor's spectacular public relations stunts, such as flying a jet fighter, have failed to blunt rising public discontent over the quality of social services which he had promised to improve swiftly.

Iranian and EC officials to meet in Dublin

By Tim Dickson in *Brussels* and **Victor Mallet** in London

SENIOR officials of the European Community will meet their Iranian counterparts in Dublin, Republic of Ireland, next week for the first time in more than a year, providing further evidence that Tehran is trying to improve its relations with the west.

The meeting – to take place on Wednesday between the Iranians and political directors of the EC's "Troika" - past, present and future Presidencies of the Community – is the first high level contact of its kind since the death sentence on British author Salman Rushdie issued by the late Ayatollah Khomeini in February 1989.

The decree soured relations between the *EC and Tehran.* Member states represented in Iran registered their protest by withdrawing their heads of mission, although most were returned quietly within a month. Iran, however, severed relations with Britain over the "Rushdie affair."

A spokesman for the Irish Presidency of the EC in Brussels said last night that the whole gamut of EC-Iranian issues would be on the agenda at Wednesday's meeting, which has been arranged at *Tehran's* request.

"The EC side will certainly be raising the question of the western hostages," he said. The discussions will be on the sidelines of a scheduled meeting between political directors of the 12 aimed at co-ordinating European policy on international issues.

Mr Gerard Collins, the Irish Foreign Minister, has sent a hand delivered message to Mr Ali Akbar Velayati, Iran's Foreign Minister, welcoming the idea of the meeting and expressing his hope that it will serve to improve relations between the two.

Mr Collins met Mr Velayati in New York recently to discuss the Irish hostage Mr Brian Keenan, a teacher taken captive in Beirut in 1986.

President Hashemi Rafsanjani of Iran has tried to improve ties with the west in his attempts to rebuild the Iranian economy following the Gulf war against Iraq.

He has called for the release of western hostages held by pro-Iranian groups in Lebanon, but he has been obstructed by Iranian radicals intent on standing firm against the west in general and the US in particular.

On Sunday, university students at a demonstration in Tehran said in a statement that it was naive to expect help from groups such as the EC "which are dominated by arrogant powers, particularly the US."

In Lebanon yesterday, the pro-Iranian Hizbollah group reiterated that the remaining 15 western hostages would be not be freed "without a price."

WORLDWIDE WEATHER

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	21	70	Dallas †	S	11	52	Madeira	S	19	66	Prague	F	21	70
Algiers	C	19	66	Dublin	C	12	54	Madrid	F	20	68	Reykjavik	C	7	45
Amsterdam	C	15	59	Dubrovnik	S	21	70	Majorca	C	17	63	Rhodes	S	21	70
Athens	F	25	77	Edinburgh	F	12	54	Malaga	R	17	63	Rio de Janeiro		-	-
Bahrain		-	-	Faro	S	21	70	Malta	S	22	72	Rome	S	20	68
Barcelona	S	21	70	Florence	S	23	73	Manchester	C	11	52	Salzburg	S	22	72
Belfast	F	12	54	Frankfurt	S	22	72	Melbourne	F	17	63	S'Francisco †	C	13	55
Belgrade	F	25	77	Geneva	F	22	72	Mexico City		-	-	Santiago		-	-
Berlin	F	23	73	Gibraltar	F	18	64	Miami †	F	26	79	Seoul	C	25	77
Biarritz	C	17	63	Glasgow	R	10	50	Milan	S	24	75	Singapore		-	-
Birmingham	F	13	55	Guernsey	S	14	57	Montreal †	S	14	57	Stockholm	S	24	75
Blackpool	F	10	50	Helsinki	S	15	59	Moscow	S	14	57	Strasbourg		-	-
Bombay	F	31	88	Hong Kong		-	-	Munich	S	22	72	Sydney	S	21	70
Bordeaux	F	20	68	Innsbruck	S	23	73	Nairobi	F	26	79	Tangier	F	21	70
Boulogne	F	13	55	Inverness	C	10	50	Naples	S	21	70	Tel Aviv	F	23	73
Bristol	F	12	54	Isle of Man	F	12	54	Nassau		-	-	Tenerife	C	20	68
Brussels	F	14	57	Istanbul	S	18	64	Newcastle	C	12	54	Tokyo	S	25	77
Buenos Aires		-	-	Jersey	C	14	57	New Delhi	S	37	99	Toronto †	R	13	55
Budapest	T	19	66	Johannesburg	C	13	55	New York †	R	15	59	Tunis	S	27	81
Cairo	S	27	81	Las Palmas	F	22	72	Nice	S	19	66	Valencia	C	17	63
Cape Town	S	19	66	Leeds	C	13	55	Nicosia	C	21	70	Venice	S	23	73
Cardiff	H	11	52	Lisbon	S	22	72	Oporto	S	22	72	Vienna	S	21	70
Chicago †	R	4	39	Locarno	F	24	75	Oslo	C	20	68	Warsaw	F	25	77
Cologne	Dr	15	59	London	R	10	50	Paris	C	17	63	Washington †	R	19	66
Copenhagen	S	19	66	Los Angeles †	C	14	57	Peking		-	-	Wellington		-	-
Corfu	S	24	75	Luxembourg	R	12	54	Perth	S	19	66	Zurich	S	21	70

C - Cloudy Dr - Drizzle F - Fair, Fg - Fog H - Hail R - Rain S - Sunny Sl - Sleet Sn - Snow T - Thunder.
† Noon GMT temperatures

Moscow to annex Zeiss

Continued from Page 1

East Germany will remain free to export its indigeneous technology to the Soviet Union "in the same way that Sweden does", said a West German official.

Although most West German analysts see the honouring of East German industrial obligations to the Soviet Union as a positive move, creating a breathing space for East German industry, some fear that it may slow down the modernisation of that industry. Mr Axel Lebahn, the leading Soviet expert at the Deutsche Bank, has proposed that West Germany buy itself out of the obligations with grants and credits for the Soviet Union.

In addition to the problems created by companies such as Carl Zeiss Jena, West Germany may also have to honour East German military orders for 30 Soviet MiG 29 fighters and Soviet tanks.

The US wants to extend the Cocom "border" to include East Germany even though the latter will not become a member of Cocom until full unification. The West German authorities are already helping the East Germans establish a new export control system to prevent the re-export from East Germany of Cocom-list banned technology.

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COMPANIES & MARKETS
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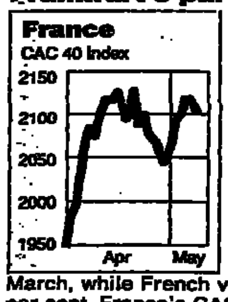
INSIDE

Time Warner in European TV move

Time Warner, the world's largest media group, is set to take a large stake in the European Business Channel, the business television company based in Zurich. If the deal goes ahead it will be Time Warner's first significant move into Europe since last year's merger of Time and Warner Communications. Page 28

Frankfurt's party is over



Euphoria gripped the Frankfurt stock exchange after the tearing down of the Berlin wall last November. Now, the excitement is passing and attention has swung to Paris. Volume figures for April show stock exchange turnover in West Germany shrank by 36.6 per cent from its level in March, while French volume swelled by 32.7 per cent. France's CAC 40 index reached seven all-time highs in April. Back Page

Stake floated, stake frozen

Robert Murdoch's News Corporation is seeking to raise about HK$1bn ($128m) through floating part of South China Morning Post Publishers on the Hong Kong Stock Exchange. The English language publishing group produces the daily South China Morning Post, which has the highest profit per copy of Mr Murdoch's international titles. Meanwhile, Robert Maxwell, the UK newspaper publisher, saw his newly-acquired stake in Bell Group, Alan Bond's media concern, frozen for at least two months by an Australian court. Page 30

IEP settles with Cummins

Industrial Equity (Pacific) the New Zealand-based investment group has agreed not to buy any more shares in Cummins Engine, in a deal seen as a victory for the the US diesel manufacturer. Last year IEP built up a 14.9 per cent stake in Cummins. The companies have now dropped legal action against each other and IEP has agreed not to make a bid for Cummins or seek a change on its board. Page 29

Sears' foot note

Training shoes now account for 25 per cent of the UK shoe market — so a quarter of the British population should soon be wearing them at any time. For evidence of the trend one need look no further than Sears' disappointing full-year results announced yesterday. A £39m ($65m)drop in trading profits from Sears' footwear retailing business, which does not include training shoes, was partly to blame for a fall in overall profits. Sears sells its casual trainers separately through its sports shops, Olympus and PRO Performance. Page 34

Market Statistics

Base lending rates	48	London traded options	32
Benchmark Govt bonds	32	London tradit. options	32
FT-A indices	32	Money markets	48
FT int bond service	31	New int. bond issues	31
Financial futures	48	World commodity prices	49
Foreign exchanges	48	World stock mkt indices	49
London recent issues	32	UK dividends announced	xx
London share service	42-43	Unit trusts	44-47

Companies in this section

Hatibudi	30	Lasmo	39
AGF	28	London Atlantic	39
Abitibi-Price	29	McCaw Cellular	29
Aetna Life	29	Merrill Lynch	31
Agip	28	Midsummer Leisure	34
Alain Seiki	29	Molson Cos.	29
Alfa Laval	28	M'chester Ship Canal	37
BAT Industries	34	News Corp	30
BOC	39	Noranda Forest	29
BTR	36	Perrier	28
Bell Group	30	Petrofina	28
Berisford Intl	35	Pirelli SpA	28
Bond Media	28	Placer Dome	29
Bowater Industries	34	Premier	30
British Coal Pension	34	RIT Capital Partners	34
British Petroleum	34	Radio Clyde	39
Circaprint	36	Reader's Digest	29
Clearmark	36	Renong	30
Corton Beach	39	S China Morning Post	30
Cummins Engine	29	Saga Petroleum	28
Emess	36	Sandvik	28
European Leisure	34	Seafield Resources	39
Ex-lands	36	Sears	34
Fleet Group	30	Smith & Nephew	35
Fundinvest	39	Stakis	37
General Accident	36	Standard Chartered	39
George Weston	29	Time Warner	28
German Smaller Cos	39	Toyoda Tsusho	29
Globe Investment Tst	34	Toyota Auto Loom	29
Harrisons & Crosf'ld	34	United Biscuits	34
Industrial Equity	29	Wal-Mart	29
King & Shaxson	37	Wilton	36
Kleen-e-Ze	39	Yorklyde	39

Chief price changes yesterday

FRANKFURT (DM)				PARIS (FFr)			
Rises				**Rises**			
Bayer-Hypo	405	+	7	Aussedat-R	600	+	30.5
Commerzbank	304	+	6.5	CSEE	390	+	21.6
Continental AG	305	+	6.5	Simco UPH	644	+	34.7
Didier-Werke	277	+	5.8	**Falls**			
Falls				Hachette	460	–	21.1
MAN	489	–	7	Pretabail	1172	–	32.1
Springer Vlg	753	–	37	Sovac	733	–	21.3
NEW YORK ($)				**TOKYO (Yen)**			
Rises				**Rises**			
Compaq Comp	107⅝	+	1⅝	Kasumi	1680	+	180
Gap	65¾	+	2¼	Marantz Japan	1380	+	200
Georgia Gulf	7	+	⅝	Sanjo Machines	1200	+	140
Falls				**Falls**			
Cummins Engine	46⅞	–	¼	Jidosha Buhin	1000	–	120
Harcourt Brace	3¼	–	½	Nihonbashi	1630	–	250
Sun Micro	27¾	–	⅝	Yomiuri Land	2590	–	290

New York prices as at 12.30pm.

LONDON (Pence)							
Rises				Brit Aero	499	–	3
BOC	510	+	3	Circaprint	23	–	10
Bowater	478	+	21	GKN	366	–	31
Hawkers	627	+	9	Gen Acc	1026	–	14
Ladbroke	288	+	11	Harrison Cros	150	–	10
Meyer	358	+	10	Lloyds Bk	261	–	4
Midland Bk	295	+	4	Lucas	591	–	20
SmithKline	491	+	19	Pilkington	183	–	3
Wickes	182	+	7	Sainsbury (J)	257	–	3
Falls							
AB Foods	372½	–	3½	Sears	89½	–	3½
BP	310	–	5	Std Chart	468	–	18
Brent Walker	289	–	26				

BASF profits down, but hopes up

By Andrew Fisher in Ludwigshafen

BASF, one of West Germany's leading chemical groups, yesterday reported a 6.6 per cent drop in pre-tax profits to DM845m ($500m) in the first quarter of this year, with the impact of lower prices and currency falls against the D-Mark more than offsetting higher volume sales.

Mr Hans Albers, who steps down as chief executive at the end of next month, said, however, that he did not think that this presaged an end to the boom years of increasing business. "The stagnation in sales is not based on market weaknesses." He hoped last year's profit level could again be achieved in 1990.

Group turnover eased by 0.7 per cent in the quarter to DM11.9bn. At the parent company, which handles domestic business and exports, prices had dropped by some 7 per cent this March compared with the same period a year ago. Of this, actual price falls caused by tougher competition accounted for 3 per cent and currency changes for 4 per cent.

The effect of lower prices and the stronger D-Mark was greater than the decrease in raw material prices, Mr Albers said. BASF's lower first quarter results follow decreases at its two big German rivals, Hoechst, with an 8.5 per cent fall in pre-tax profits, and Bayer, with a more moderate 3 per cent decline.

BASF's raw materials and energy sector recorded sales gains in the first three months, while consumer products, especially magnetic tapes and pharmaceuticals, also advanced strongly. In the agricultural sector, crop protection products turned in higher sales, but fertiliser business eased. Despite higher volume sales of chemicals and plastics, the price and currency shifts held back turnover.

Mr Albers, who will be succeeded by Mr Jürgen Strube, said group orders were holding up at last year's level and he did not expect lower volumes in coming months.

The lower first quarter result follows a flattening of growth throughout 1989, for which BASF reported an 18 per cent rise in pre-tax profits to DM4.4bn on sales up by 8.5 per cent to DM47.6bn. BASF is raising its 1989 dividend by DM1 to DM13 and paying a DM1 bonus for its 125th anniversary.

Despite softer conditions in the automotive and construction sectors, North American sales were maintained. But like that of the British and Japanese operations, turnover was lower when converted into D-Marks. In Brazil, the tough new anti-inflation measures had a severe impact on business.

Strong current against Philips

Michael Skapinker and Laura Raun on declining investor confidence

The plunge in Philips' first quarter operating income, announced last week, was a severe disappointment to stock market analysts and investors. But it was not the rudest shock. That came from the Dutch electronics group's admission that it too was astounded by the fall.

In both Amsterdam and London, sympathy for Philips has drained away. What is left is bitterness at what analysts see as the group's self-deception, its inability to communicate with the world outside its vast headquarters in Eindhoven, and its arrogant conviction that Europe will never let it go under.

Yesterday, Philips share price closed at Fl 31, its lowest point for a year and down 18 per cent from the day before its first quarter results were announced. The company, Europe's largest electronics group, said last Thursday that net operating income for the first quarter of 1990 fell from Fl 223m to Fl 6m, largely due to losses in information systems and foreign exchange conversions. Philips said that for 1990 as a whole, "it will be very difficult to improve on the 1989 figure for net income from normal operations." Net income from normal operations in 1989 was Fl 792m.

The first quarter results were particularly disappointing coming after several years of relentless cut-backs. Philips has closed about 75 of its 420 factories and cut its workforce by 32,000 (to 305,000) over the past three years.

Some had hoped the group had turned the corner. "But when the announcement came last week, we were once again confronted by the Philips facts of life," said Mr Arjen Los of County NatWest Wood Mackenzie in London.

The Philips facts of life are that the company is in no shape to take on the Japanese electronics giants in the 1990s. The admission by Mr Henk Apello, group director for accounting, that he was "astonished" by last week's results, reinforced the impression that the company does not understand what has gone wrong or know how to put it right.

Analysts in London and Amsterdam agree that if Philips is going to survive the decade, it needs to do more than cut costs and shed workers. It needs to withdraw from some of its businesses, such as computers, and concentrate on areas like lighting and consumer products where it has a chance of maintaining a world-class position.

For a company which sees itself as one of Europe's industrial champions, such a change of direction would be a bitter blow. But Philips has to accept, Mr Los says, that "it's the end of the empire."

He and other British and Dutch analysts agree that Philips still has enormous strengths. Its research and development is highly regarded. Philips invented the compact disc and the audio cassette, and was a pioneer in the development of the video cassette recorder.

The most admired product on the corporate shelf, however, is Mr Jan Timmer, who takes over from Mr Cor van der Klugt as Philips' president in July 1991. Mr Timmer is a powerfully built man, whose easy manner is in sharp contrast to the guarded Philips executive style. He is universally admired for turning round Philips's consumer electronics division, where operating income rose 34 per cent to Fl 1.1bn last year. Mr Timmer is seen as tough enough to make whatever hard choices need to be made. He is only 57, which means he has the time to make them.

Jan Timmer: tough enough to make hard choices and with time on his side

The question, however, is whether Philips has the time or inclination to carry them out. Mr Rob Sweers of Banque Paribas in Amsterdam, fears the group might record a net loss on ordinary business this year.

If a British or US company were in the same position, talk would inevitably turn to the prospects of a hostile or friendly takeover. Philips is protected by a complex series of anti-takeover defences, but analysts warn that these might not be impregnable if the company's poor performance continues. "No company is bid-proof," warns Mr Simon Street of BZW in London. Analysts believe that Philips needs to withdraw from the computer business, in which it has failed to establish a presence. The company has been talking to Olivetti, the Italian computer manufacturer, about possible co-operation.

They add that Philips should either sell its loss-making semiconductor business or establish a joint venture. Philips would find this particularly difficult. The company is Europe's largest chip manufacturer and a pillar of the Joint European Submicron Silicon Initiative (Jessi).

Jessi was set up to ensure a continued European presence in the semiconductor industry. Analysts assert that Philips can no longer afford to play this crusading role. Maintaining a European chip industry might be a laudable aim, but it is threatening the remainder of Philips' business, they say.

Philips argues that as semiconductors are the basic building blocks of the electronics industry, it cannot afford to leave the chip business. Its critics counter that a joint venture with another chip maker would continue to provide Philips with a stable supply of semiconductors.

Analysts believe that Philips' medical equipment business is too small to compete internationally and that the company needs to conclude a collaboration agreement in this area too. A plan to merge Philips' medical equipment business with that of the General Electric Company of the UK was dropped in 1988.

With deals of this sort in place, Philips could concentrate on its more successful areas. These include lighting – where operating income was Fl 763m last year – and consumer electronics, including its PolyGram recorded music subsidiary. Even here, analysts warn, Philips faces some difficult years. Eastern Europe could begin to provide stiff competition at the lower end of the lighting market. Philips' consumer products will come under growing pressure as tariffs on imports into the European Community are lowered.

For Mr Timmer to carry out a radical restructuring, he would have to overcome intense resistance in the Netherlands. If Philips' divested itself of some of its central businesses it would be a severe blow to Dutch national pride. Eindhoven's legions of corporate bureaucrats are unlikely to give up without a fight.

In the meantime, Philips is likely to carry on selling its assets. Last year's results were lifted by the Fl 348m sale of a Paris office building. Other real estate disposals are likely. Philips holds a 47 per cent stake in a white goods joint venture with Whirlpool of the US. It has the right to sell its share to Whirlpool before the end of next year and is expected to do so.

Volvo to expand outside Sweden

By Kevin Done in Brussels

VOLVO, the Swedish car and truck maker, will undertake its future industrial expansion outside Sweden, according to Mr Bo Egerdal, head of corporate planning.

The company yesterday announced plans to increase the capacity of its assembly plant in Ghent, Belgium by more than 30 per cent during the first half of the 1990s.

Productivity at Volvo's Belgian car and truck plants is substantially higher than at its domestic plants. Productivity in Sweden had been growing at only a third of the rate achieved in Belgium in recent years, said Mr Christer Zetterberg, who took over last month as Volvo president.

The group's profitability was "showing signs of strain" in the face of a simultaneous decline in car sales in its three most important markets, the US, the UK and Sweden, he said.

Despite the fact that Volvo derives 80 per cent of its turnover from outside Sweden, the group still has 70 per cent of its employees and 63 per cent of its assets in the country. In Sweden it is being hit by a combination of "high inflation, a high tax burden, high absenteeism, high interest rates and a low productivity development," says Mr Zetterberg. The volume of cars assembled by Volvo in Belgium has almost tripled in the last ten years from 37,000 in 1979 to 94,000 last year, while the volume of cars assembled in Sweden was virtually unchanged at 172,000.

The present capacity in Ghent for producing 95,000 cars a year would be increased to 125,000 by 1994-95, said Mr Lars Eriksson, managing director of Volvo Europa, the Belgian manufacturing subsidiary. Volvo is to move to two-shift working at its Ghent truck plant in September, increasing capacity there from 17,000 to 22,000 trucks a year.

● AUDI, the luxury car unit of West German car maker Volkswagen, said 1989 net profit jumped 51 per cent to DM228m ($137m) from DM151m in 1988 on sales that climbed 5.9 per cent to DM12.2bn, agencies report.

In 1990, first-quarter worldwide sales had risen 0.7 per cent to 105,327 vehicles. Domestic unit sales had, however, declined 0.7 per cent to 39,351.

In the US, unit sales climbed 7 per cent to 4,949 in the first quarter. Sales in the US have been hurt in recent years by since discredited allegations that Audi cars had spontaneous acceleration problems. Last year, however, US sales steadied.

GKN's warning of fall in profits disappoints City

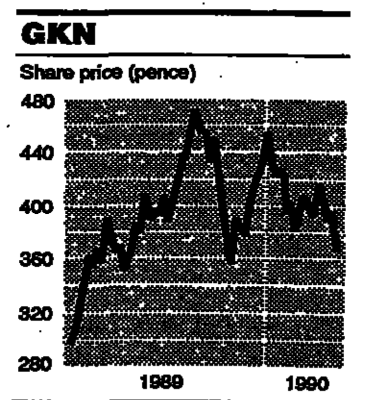
By John Griffiths

GKN, the automotive and engineering group, cast a pall across the UK industrial sector and the City yesterday with a warning from Mr David Lees, the chairman, that profits would be hit this year as the result of the interest rates squeeze, industrial relations problems at large customers' plants and reduced demand in some main markets.

It was followed by what Mr Colin Hope, chairman of the T &N vehicle components and materials group, described as a "slight caution" that T & N was entering a period of "belt tightening". He said it was a result of what he described as "patchy" demand in some of T & N's own markets.

The "tightening" involved some reduction in work forces, said Mr Hope. This was already under way.

The announcements caused GKN's shares to drop 31p on the day to 366p, although there was little affect on T & N's, which closed 1p down at 159p.



Lucas Industries was affected, losing 20p to 591p, but another major components company, BBA, lost only 3p to 149p.

Sentiment was not helped by the fact that the announcements came the day after the news that the UK Monopolies and Mergers Commission is to investigate the new car and new and replacement vehicle parts sectors, following complaints that prices were too high.

Brokers moved quickly to downgrade profit forecasts at GKN, several taking off around £30m ($50m) to around the £200m level. The announcement by Mr Lees was at best likely to be seen as "disappointing," said analysts at Nomura.

In March, Mr Lees had been able to tell shareholders of another rise in pre-tax profits, by 21 per cent to £214.8m – outstripping in percentage terms an increase in total turnover to £2.69bn from £2.37bn.

However, in yesterday's statement Mr Lees – who had warned in March that high interest rates were hitting demand – said that since his initial warning "demand has deteriorated further in most of our markets."

Nevertheless, the group was still performing better than in the early months of 1988.

WTA value put at about £1bn

By Maggie Urry

WIGGINS Teape Appleton, the pulp and paper group, is expected to join the FT-SE Index after its demerger from BAT Industries on June 1.

It was announced yesterday that BAT shareholders will receive one free WTA share for every three BAT shares held when the business is demerged.

Meanwhile, analysts suggest that, when the demerger takes place, WTA is likely to have a market value of around £1bn ($1.6bn).

However, this is lower than the figures put forward last summer when Sir James Goldsmith's first mooted an unbundling bid for BAT, the conglomerate that grew from a tobacco company.

Analysts' back-of-the-envelope calculations then suggested WTA – formed by merging BAT's European and North American pulp and paper businesses – would be worth £1.5bn.

Since then the paper industry has taken one of its cyclical downturns.

Although WTA's position in the higher value-added and faster-growing segments of the industry makes it less exposed to the cycle, listing particulars published yesterday show that first quarter profits were down by 9 per cent, after a dull profits record since 1987.

Current year prospects are "difficult", the document warned. But it said WTA will have a progressive dividend policy.

The business is capital intensive with long lead times for investment. WTA invested £420m over the last five years, £180m more than the depreciation charged over the same period.

Details Page 34. Lex Page 26. Observer Page 24

AGF plans Polish insurance venture

By George Graham in Paris

ASSURANCES Générales de France (AGF), the second largest French state-owned insurance company, has signed a letter of intention with a foundation linked to Poland's Solidarity trade union to set up a joint venture insurance company in Warsaw.

The French company said it would ask for approval for the joint venture company as soon as the Polish parliament passes a new law on insurance, which it is expected to do at the end of June. The company hoped to open for business on January 1 next year.

The Mazowsze Foundation, which groups Solidarity's Warsaw regional union, its Warsaw civic committees, the Batory Foundation, which it set up in 1987, and the scientific associations of Poland, will hold 51 per cent of the joint venture. AGF's international subsidiary will hold the remaining 49 per cent. The size of the company's capital is not yet known, since it is subject to Polish government approval.

AGF said it would provide know-how, training and computer systems, and had already sent three executives to Poland. Mazowsze will supply premises, employees and access to local businesses and individuals.

Insurance in Poland has until now been divided between two state organisations, with PZU covering domestic risks and Warta covering foreign risks.

The two organisations between them are estimated to have premium income of around $80m.

AGF officials said they expected the joint venture to start slowly.

Hoesch steel unit sales up to DM371m

ORENSTEIN & Koppel the engineering subsidiary of steel maker Hoesch, said group domestic sales in the first quarter of 1990 rose to DM371m ($231m) from DM323m a year ago.

Bond Media claims it has A$300m in fresh equity

By Kevin Brown in Sydney

BOND Media yesterday claimed to have lined up more than two thirds of the A$300m (US$227m) it has to raise by today to prevent debts of A$380m being called in by its bankers.

Mr Lindsay Yeo, a director of Bond Media, said the company had received commitments from broadcasting companies in the US, Australia and New Zealand to provide A$207m in fresh equity.

Mr Yeo said NBC, CBS and Paramount of the US had jointly committed A$125m; Television New Zealand A$32m; and Mr Bruce Gordon, an Australian broadcasting entrepreneur, a further A$50m.

A team of executives led by Mr Sam Chisholm, head of Bond Media's Channel Nine television network, returned yesterday from a trip to the US and Europe to discuss the refinancing.

Bond Media is the television arm of Bond Corporation Holdings, Mr Alan Bond's troubled group of companies. A six-week deadline for the completion of the refinancing package expired on Wednesday, but the company's bankers, extended the deadline to today.

Mr Yeo said he was confident that Bond Media would be able to raise sufficient equity to satisfy the National Australia Bank syndicate and trigger a second six-week deadline for the reconstruction of the company outside the Bond group.

He said the money was "certainly not signed and sealed." However, "once the banks are happy it is coming, I think we will be given another six weeks to put the whole thing to bed."

Mr Yeo said all the potential providers of fresh equity had different views on voting rights and how to "de-Bond" the company. Nothing could be finalised until after a meeting of shareholders, however.

Bond Media faces a separate threat from a winding-up action launched by Mr Kerry Packer, head of Consolidated Press Holdings following the failure of a A$53m bid for Channel Nine.

Consolidated Press claims it is entitled to redeem preference shares in Bond Media worth A$200m. Bond Media hopes the National Australia Bank syndicate will allow it to use part of the fresh equity being raised to redeem the preference shares and avoid the court action.

Petrofina lifts payout BFr16

CONSOLIDATED sales of Petrofina, the Belgian oil, gas, and petrochemical concern, rose by 19 per cent to BFr578bn ($14bn) from BFr487bn, the company said yesterday, AP-DJ reports.

Petrofina said in its annual report, released yesterday, that it would propose a net dividend of BFr416 a share, up from BFr400 a year earlier. As reported, Petrofina's consolidated net profit rose by 8 per cent in 1989 to BFr21.8bn from BFr20.2bn.

Petrofina said consolidated cash flow fell in 1989 to BFr53.3bn from BFr56.9bn.

The company said the sales of petroleum products were BFr453.2bn in 1989, of which BFr300.9bn were in Europe, BFr138.6bn in the US, and BFr13.7bn in other regions.

Paints and chemicals accounted for another BFr105.4bn in sales, of which BFr71.1bn were in Europe and BFr34.3bn in the US.

Sales of other products and revenues from other sources accounted for another BFr19.1bn.

Investment in 1989 amounted to BFr47.5bn, down from BFr65bn in 1988. Petrofina said its 1990 investment budget would be about BFr65bn.

Agip advances by 68%

By Vanessa Houlder

AGIP, the Italian state oil company which is part of the ENI group, increased its net consolidated income by 68 per cent from L503bn to L846bn (US$695m) in 1989.

Consolidated net sales increased by 30 per cent to L11,034bn.

The company said it had achieved excellent results in all its activities, despite a not particularly good year for the international oil industry. Development projects for new fields had been speeded up and interest and other financial expenses had been reduced from L303bn to L290bn.

Reserves were increased by 13 per cent to 706m tonnes of oil equivalent. Production increased by 8 per cent to about 36.2m tonnes of oil a year.

Investments in fixed assets rose from L1.964bn to L2,618bn. It bought a participating interest in the exploitation of Nigeria's largest fields, for L700bn, which it described as "the most important purchase of interests in its history."

Agip's supply and trading activities supplied 26m tonnes of crude oil and traded 14m tonnes on the international market. It purchased and produced 44 per cent of Italy's oil and gas demand last year.

Alfa Laval lifts earnings 26%

By John Burton

ALFA LAVAL, the Swedish dairy equipment and process engineering group, reported a 26 per cent increase in profits after financial items to SKr304m ($50m) during the first quarter of 1990. Sales climbed by 21 per cent to SKr3.6bn.

The company said it stood by its earlier forecast that sales and earnings will climb by 15 per cent in 1990.

Mr Lars Kylberg, president, said that priority would be given to growth through acquisition in North America, the EC, eastern Europe and south-east Asia.

Esselte down 48% to SKr100m in first quarter

By John Burton in Stockholm

ESSELTE, the Swedish office products and media group, has suffered a 48 per cent drop in first-quarter profits after financial items to SKr100m ($16.5m) from SKr191m.

It blamed the results, which were worse than expected, on poor sales of office supplies in North America, high development costs for its price marking and coding equipment, and costs in restructuring its retail outlets in Sweden.

Sales increased by 8 per cent to SKr4.29bn from SKr3.96bn. Esselte said it is difficult to make a forecast for 1990, since profits could be affected by the planned sale of its real estate and media operations. But it added that profits per share should be SKr15 to Skr18 for the year.

Kinnevik, the Swedish holding company, announced Wednesday that it would bid for the Esselte-owned Filmnet pay TV channel in co-operation with the French industrial group Bouygues, the main shareholder in France's TF 1 channel.

Bouygues and Kinnevik, which operates the Nordic region's TV 3 satellite channel, are competing against France's Canal Plus and Sweden's Bonniers publishing group among others for Filmnet.

● Sandvik, the speciality steel and carbide group, yesterday reported a 6 per cent rise in profits after financial items to SKr750m from SKr705m during the first quarter of 1990.

It predicted that profits for the year will remain unchanged from the 1989 results of SKr2.8bn, reflecting generally slow global demand. But sales are expected to rise by 5 per cent to SKr19.7bn.

Demand in North America continues to decline, while sales in Europe remain relatively strong.

Turnover increased by 3 per cent by SKr4.78bn during the first three months, largely due to a 6 per cent rise in sales for cemented carbide, amounting to SKr2.5bn. Steel sales remained flat at SKr1.6bn.

Time Warner set to move into European TV

By Raymond Snoddy in London

TIME WARNER, the world's largest media group, is expected to take a substantial stake in the European Business Channel, the business television company based in Zurich. Negotiations are believed to be at an advanced stage although no agreement has yet been signed.

If the deal goes ahead it will be Time Warner's first significant move into Europe since last year's merger of Time and Warner Communications.

At the moment the European Business Channel, which began broadcasting in November 1988, transmits half an hour of business news in both English and German at breakfast time, which is repeated.

The programme is carried by satellite and on cable systems across Europe. In Germany the service is on RTL Plus, the German satellite channel and Mr Rupert Murdoch's Sky Television also broadcasts the channel on the Eurosport channel.

There are ambitious plans however to expand the European Business Channel to six hours a day from September – four hours of which will be in prime time. The aim is to provide a comprehensive news service with an emphasis towards the industrial and commercial world.

Because of the expansion plans a major new shareholder is needed to help fund the channel which is believed to be losing around $25m a year.

Time Warner would not, however, be able to take a majority stake.

Under the terms of the licence – the first commercial concession to be granted after SRG, the national broadcaster and Teleclub, a subscription film channel – the EBC has to be controlled by Swiss interests.

At the moment EBC is controlled by a group of Swiss investors led by Mr Felix Matthys although CLT, the company that controls RTL, the Luxembourg broadcaster, also has a stake.

Since the creation of EBC there has been growing competition in the European business television market. European Business Today was launched last month and is broadcast by British Satellite Broadcasting in the UK and by NHK in Japan.

From the beginning of next month, FTTV, a subsidiary of the Financial Times, will launch a daily European business television programme in a joint venture with Mr Ted Turner's CNN. Time Warner declined to comment last night.

Saga shows strong gain

By Karen Fossli in Oslo

SAGA PETROLEUM, Norway's largest independent oil company, yesterday announced it had more than doubled first-quarter pre-tax profits, before extraordinary items, to NKr128m ($19.8m) from NKr55m in the same period last year.

Operating profit in the period rose to NKr225m from NKr158m in 1989. Saga said it sold about 3.7m barrels of oil in the period at an average price of $20 a barrel. The company forecast that for the year as a whole it would sell 17m barrels of oil against 16m in 1989.

Saga last night failed to win the backing from a majority of its shareholders to proceed with a NKr1bn convertible bond issue and the issuance of new shares to increase capital by more than NKr1.5bn.

Saga said the two separate proposals were to give the company the financial flexibility to expand activities primarily with a view to purchasing new domestic and foreign crude oil reserves.

■ Nora Industrier, the Norwegian food and soft drinks company, said it was making a takeover bid for Tou, valuing the Norwegian brewery at around NKr420m.

Pirelli SpA advances 13% to L320bn

By Haig Simonian in Milan

CONSOLIDATED group profits at Pirelli SpA, the Italian tyres and cables concern, rose by 13 per cent after tax to L320bn ($262m) last year from L282bn in 1988.

Sales jumped by 13 per cent to L10,342bn from L9,120bn, or by 10.5 per cent if adjusted for acquisitions.

The outlook for the current year appears generally positive, with the likelihood of an "appreciable" increase in sales, according to Pirelli. However, profits growth will be restrained by weaker economic conditions in some key operating markets, notably Latin America, and by tougher competition which will take its toll on margins.

The company is paying an unchanged dividend of L110 and L130 on its ordinary and savings shares respectively. However, the overall sum allocated for dividend payments has increased following the group's recent rights issue, it said.

Perrier declines to FFr266m

By Our Financial Staff

SOURCE Perrier, the French bottled water group, has – as expected – reported a sharp fall in 1989 profits following the worldwide withdrawal of its Perrier brand in February due to a benzene scare.

The 1989 attributable net profit plunged to FFr266m ($48m), from FFr1.03bn in 1988, partly reflecting a FFr435m provision for the withdrawal.

However, capital gains were also much lower last year, at FFr254m against FFr857m in 1988.

Despite the profits fall, the net dividend for 1989 is unchanged at FFr20. Group turnover rose 16 per cent to FFr17.19bn.

The group said 1990 results would benefit from the proceeds of further disposals.

INTERNATIONAL COMPANIES AND FINANCE

Canadian forestry industry crashes to earth

Bernard Simon looks at why pulp, paper and timber producers are battling declines

The collapse in Canadian forestry companies' earnings this year is every bit as spectacular as a sawn Douglas fir crashing to earth.

One after another, and with virtually no exceptions, pulp, paper and timber producers have announced steep declines in first-quarter earnings, including substantial losses from some operations.

Abitibi-Price, the big newsprint producer, lost C$11.3m (US$9.7m), compared with earnings of C$26.3m a year earlier. Canadian Pacific Forest Products' income was down by 93 per cent, and Noranda Forest by 90 per cent.

Fletcher Challenge Canada, MacMillan Bloedel and Canfor Corp all saw their earnings chopped by more than half. Revenues also dropped in most cases.

In several cases, a sizeable chunk of the declines is due to unusual circumstances. Heavy snowstorms, for example, cost MacMillan Bloedel about 15 per cent of its normal lumber output. A large part of Abitibi's loss was due to the write-off of a floundering Florida office products business. Nonetheless, markets are poor enough and the outlook sufficiently discouraging for several companies to scale back expansion plans and trim dividend payments – and all this on top of a series of plant shutdowns in recent months to deal with over-capacity.

CANADIAN FOREST PRODUCTS COMPANIES
Earnings for three months to March 31 (C$m)

	1989	1988
Abitibi-Price	(11.3)	26.3
CP Forest	4.8	65.1
Canfor Corp	13.1	30.2
Domtar	20.0	26.0
Donohue	10.0	14.5
Fletcher Challenge Cda	15.7	36.1
MacMillan Bloedel	30.0	73.4
Noranda Forest	6.0	58.0
Repap Enterprises	7.0	24.7
Scott Paper	4.4	4.2
Weldwood of Canada	6.3	16.2
West Fraser Timber	4.9	5.9

Figures in parenthesis are losses

According to the Canadian Pulp and Paper Association (CPPA), newsprint output was 2.7 per cent lower in the first three months of 1990 than in January-March 1989.

Pulp production in March was 10 per cent lower than a year earlier, while pulp mills' operating rate fell to 85 per cent from 97 per cent.

Repap Enterprises of Montreal cut back especially sharply, shipping 28 per cent less pulp in the first quarter of this year than in 1989.

Industry executives and analysts predict that the second quarter will be equally rocky as the companies struggle against soft markets for many of their products, as well as high debt-servicing costs and the unrelenting strength of the Canadian dollar.

"If I had to guess, I'd say this (second) quarter will probably be the toughest of the year," Mr Peter Bentley, chairman of Canfor Corp of Vancouver, told his company's annual meeting earlier this week.

Hopes are still high, however, that an improvement will follow later in the year. North American lumber prices have recently turned up, and buyers of some types of paper appear to be rebuilding inventories after two years of decline.

In particular, North American newsprint producers are still crossing their fingers that customers will accept a 5 per cent price increase due to take effect on June 1. They are encouraged, in particular, by unexpectedly buoyant demand on the US West Coast and price hikes which have stuck in Europe and Japan.

A breakdown in labour contract talks later this year among eastern Canadian producers and their workers may also help push up prices. Furthermore, the Canadian dollar is widely expected to weaken as the authorities in Ottawa allow domestic interest rates to decline.

The Canadian Paperworkers Union has chosen Stone Consolidated of Montreal, formerly Consolidated Bathurst, as the main target of its claims, which include an 8 per cent pay increase for each of two years and greater job security. The biggest question mark, however, hangs over the pulp market, where producers of high-quality northern bleached softwood kraft pulp (the type produced by most Canadian mills) are strenuously resisting customer pressures to lower prices.

The producers are confident that recent cutbacks in capacity, plus the high quality of their product (an important factor in the growing recycled paper business), will enable them to hold the line on prices.

One Vancouver analyst adds that the producers as a group are well aware that "even if they drop the price, they're not going to sell more pulp."

On the other hand, some customers are starting to switch to hardwood pulp and other cheaper varieties, and there is some strong feeling that the dyke will burst within the next few months as one or two of the weaker Canadian producers seek to grab market share in an effort to bolster their cash flows.

CPPA figures point to a sharp build-up of mill inventories in the first two months of this year.

Mr Amit Wadhwaney, forest products analyst at Bunting Warburg in Montreal, singles out Noranda Forest, Repap and Doman Industries – all of which have heavy floating-rate debt burdens to service – as the most likely to break ranks.

On balance, Mr Wadhwaney predicts lower earnings for the year as a whole for all 12 leading forestry companies, with an improvement for about half of them next year.

He estimates that MacMillan Bloedel's earnings will tumble from C$2.21 a share last year to C$1.10 in 1990, edging down further to C$1.05 next year.

The forecasts assume lower interest rates and a drop in the Canadian dollar to 81 US cents, from its present level of almost 86 cents.

Mr Rob Duncan, analyst at Wood Gundy, predicts that earnings at CP Forest (one of the companies which has cut its dividend) will slide to C$2.25 a share this year, from $5.01 in 1989. An 85-cent dollar could reduce that by another 50 cents a share.

With currency and interest rate movements as crucial to some companies as pulp and paper prices, it's not surprising that a common thread through the current round of forestry company annual meetings has been a plea to Ottawa to relax monetary policy.

Aetna drops automobile insurance in Pennsylvania

By Martin Dickson in New York

AETNA Life & Casualty, the largest investor-owned US insurance company, said it was withdrawing from the personal automobile insurance market in the state of Pennsylvania because of a new law forcing insurers to make large rate cuts.

The Pennsylvanian law, similar to California's controversial Proposition 103, was passed in early February. It lays down a 10 per cent reduction in insurance rates for all drivers, with a 22 per cent cut for those prepared to give up some rights to sue.

Several insurance companies have made moves to withdraw from the market, but Aetna's action is the toughest yet. The company, which has 200,000 automobile policyholders in Pennsylvania, estimated that it would have suffered a net operating loss of at least $20m in the state over the next 12 months under the new system.

It said this was totally unacceptable. It had tried to get relief from the state's insurance commissioner, but could find no common ground that could allow the company to remain in the market.

Aetna is maintaining a fight in the courts to have the law declared unconstitutional, but said the case could take some time to resolve.

California's automobile insurance law was ruled unconstitutional by that state's supreme court and its impact has been greatly reduced.

IEP gives up its fight with Cummins

By Martin Dickson in New York

INDUSTRIAL Equity (Pacific), the aggressive New Zealand-based investment group, yesterday withdrew from a lengthy confrontation with Cummins Engine, the US diesel manufacturer. IEP agreed not to buy more shares in the company, make a bid for it, or seek to change its board.

As a result, the companies are dropping legal action against one another.

The deal was regarded on Wall Street as a victory for Cummins and further evidence of the increasingly difficult climate in the US for corporate raiders.

IEP last year built up a 14.9 per cent stake in Cummins and roundly criticised the performance of its management.

IEP repeatedly said its stake was for investment purposes and that it did not intend to press for changes in the Cummins board. But Cummins went to court, claiming the New Zealand group had been demanding a seat on the board, thus contradicting commitments made in filings with the Securities and Exchange Commission, and had threatened the business with "disruption."

Under yesterday's deal, IEP has agreed that for 10 years it will not seek board representation, acquire additional shares, or make any shareholder proposal. For five years, Cummins will have first refusal on any share transfer which would give another stakeholder more than 4.9 per cent of the company's shares.

In return, Cummins has agreed to meet IEP twice a year to discuss business.

Mr Bruce Hancox, chairman of IEP's parent company, said the agreement confirmed the New Zealand company's claim that it had bought its stake purely as an investment.

However, Mr Phil Sharp, a representative from Cummins's home state of Indiana, who led a Congressional fight against IEP, claimed the settlement was a "stunning defeat for a corporate raider" and an indication that a "decade marked by unrestrained greed is ending."

The deal meant IEP had accepted what amounted to "third class status" as a Cummins shareholder, he said.

Cummins has had unwelcome shareholders on its register since 1987, when Hanson, the UK conglomerate, acquired a major stake.

Shares in Cummins dipped on yesterday's news, trading at $46⅝, down $⅝, on the New York Stock Exchange at lunchtime.

McCaw reveals bigger losses

By Roderick Oram in New York

MCCAW Cellular Communications, the largest US provider of cellular telephone services, has reported an increase in pre-tax loss for the first quarter despite rapid growth in its subscribers and revenues.

The pre-tax loss before a gain on asset sales was $68.4m for the three months to the end of March, compared with a loss of $56.8m a year earlier before a $400,000 loss on an asset sale. Revenues grew by 76 per cent to $180m from $102.1m.

The results underscored the huge gamble Mr Craig McCaw, the company's chairman, has taken in recent years with costly acquisitions to build up the company, which is 20 per cent owned by British Telecommunications.

McCaw spent $3.4bn to increase its stake in LIN Broadcasting to 52 per cent. The deal, giving McCaw control of valuable cellular licences in New York and other major cities, was completed in March and LIN's contribution is reflected in the results.

McCaw's debt jumped to $3.59bn in the latest period from $1.79bn a year earlier. To help fund the LIN purchase and to pay down some debt, McCaw sold some cellular properties in the south-eastern US to Contel, reporting a $1.16bn pre-tax gain in the first quarter.

The extraordinary gain pushed McCaw to a net profit of $851.9m, or $4.97 a share, from a net loss of $97.7m, or 74 cents, a year earlier.

The company, which acknowledges it could run up losses as high as $1bn a year into the mid-1990s while it builds its customer base, said that its operating performance continued to improve. Its subscribers had grown to 853,000 by the end of the quarter, up 64 per cent from 520,000, thanks in part to the LIN acquisition.

McCaw's cash flow before interest, depreciation and amortisation rose to $31.4m from $4.3m. Interest expense rose to $76.3m from $60.5m. From January 1, the company has been amortising its cellular licences over 40 years rather than 10. In the case of LIN, McCaw paid a record of about $350 per head of population covered by LIN's licences.

LIN reported earlier this week a first-quarter loss of $180.8m after taking a charge of $292.9m for the McCaw deal. Most of the money went in severance packages for senior LIN executives. Without the charge, LIN would have had a net profit of $22.8m on revenues of $61.7m against a profit of $20.8m on $52.9m.

Bigger payout as merger boosts Molson

By Robert Gibbens in Montreal

LAST YEAR's merger of the brewing businesses of Molson Cos and Carling O'Keefe is beginning to show up in Molson's financial results and shareholders are to collect a bigger payout.

Molson's operating profit from the brewing activities in North America and overseas was up 34 per cent in the year ended March 31 to C$129.1m. Analysts attribute this to the economies of scale now being achieved.

Overall, including the special chemicals subsidiary Diversey and the retailing activities, Molson's final fiscal 1990 earnings were C$106.6m or C$3.25 a share, up 22 per cent from C$87.1m or C$2.65 for the previous year on revenues which slipped to C$2.5bn from C$2.6bn. Diversey and the retailing and entertainment divisions all had better operating results.

The quarterly dividend meanwhile is being raised from 23 cents a share to 25 cents.

Issue costs hit net income at Reader's Digest

By Karen Zagor in New York

THE READER'S Digest Association, publisher of the world's most widely read magazine which went public in February, yesterday reported improved third-quarter revenues, although net income fell 7 per cent in the quarter largely because of expenses associated with the stock offering.

The New York company, founded by DeWitt and Lila Wallace in 1922, had net income of $59.3m or 50 cents a share in the three months to March 31, against $64.1m or 54 cents a year earlier. Mr George Grune, chairman and chief executive, said net income in the latest quarter, excluding extraordinary charges, was $67m.

Revenues in the three months advanced 10 per cent to $544.1m from $497m in 1989, while operating profits grew 3 per cent to $90.2m from $87.8m a year earlier. Excluding non-recurring pre-tax expenses, operating profits in the latest quarter were $103m.

Reader's Digest said the decline in net income in the latest quarter also reflected a change in the company's effective tax rate to 40.1 per cent in the quarter from 32.2 per cent a year earlier.

For the first nine months, net income improved 10 per cent to $156m or $1.31 from $141.2m or $1.19 a year ago. Revenues grew to $1.53bn from $1.41bn. Operating profits were $223.3m against $200.3m a year earlier.

Placer Dome profit down by 7%

By Bernard Simon in Toronto

PLACER DOME, the big Vancouver-based gold producer, suffered a 7 per cent fall in first-quarter earnings, with lower income from copper, silver and molybdenum more than offsetting production from five new gold mines and a higher bullion price.

Net earnings slipped to C$35.1m (US$30.3m), or 15 cents a share, from C$37.8m, or 16 cents a share, a year earlier. While income from gold jumped to C$25.9m from C$17.6m, copper's contribution dived to C$1.5m from C$6.9m and molybdenum's to C$1m from C$3.1m. Revenues advanced by 30 per cent to C$299.9m. The average price of gold sales increased to US$435 per ounce from US$421, but prices of silver, copper and molybdenum were all lower.

Copper earnings were also pushed down by lower cathode shipments from 68 per cent-owned Gibraltar Mines, which has a property in British Columbia. The latest figures exclude Placer's US oil and gas operations, which it agreed last week to sell to Unocal Corp of California for US$336m.

The consolidated output of gold mines in which Placer has an interest soared to 416,000oz from 256,000oz.

The company's own share of production rose by 46 per cent to 387,000oz, with new mines in Australia, Papua New Guinea and Chile contributing an extra 120,000oz.

George Weston chief cautious on outlook

By Robert Gibbens

GEORGE WESTON, the Canadian foods group, posted a good gain in the first quarter but Mr Galen Weston, chairman, told the annual meeting in Toronto that it would be difficult to maintain the pace in the rest of 1990.

First-quarter profit was C$27.2m (US$23.3m) or 55 cents a share. This compared with C$63.8m or C$1.30 a year earlier. However, this was reduced to 49 cents a share in the 1989 period after deducting the special gain of 81 cents a share on the sale of a manufacturing subsidiary.

George Weston is the main holding company for the Weston grocery and resource interests in Canada.

Wal-Mart moves closer to top position

By Karen Zagor in New York

WAL-MART, the third biggest US retailer, yesterday moved one step closer to usurping K mart and Sears as the largest US retail chain by reporting a 26 per cent jump in sales for the first quarter of 1990.

For the three months ended April 30, Wal-Mart's net income grew 28 per cent to $253.4m or 45 cents a share, from $198.3m or 35 cents a year earlier. Sales in the three months were $6.77bn, against $5.37bn the previous year.

Last-in-first-out costs in the latest quarter were unchanged at $12.6m or 2 cents a share. Operating, selling and general and administrative expenses grew to $1.1bn from $883.6m.

According to Ms Cathleen Mackey, an analyst at Gruntal Institutional Research in New York, Wal-Mart is likely to become the largest US retailer in 1992.

Mr David Glass, president and chief executive, said: "We recognise the numerous forecasts of a more difficult economic environment, but we believe we are well positioned to achieve our aggressive sales and earnings plan for the balance of the year."

Toyota Motor affiliates show strong gains

By Stefan Wagstyl in Tokyo

FOUR companies affiliated to Toyota Motor, Japan's largest car maker, yesterday reported strong financial results for the year to the end of March.

Toyota Automatic Loom, the original parent company of Toyota Motor, posted a 12.4 per cent increase in sales to Y491bn (US$) and a 23.3 per cent jump in pre-tax profits to Y27.2bn.

The company, which was reporting parent company figures, makes textile machinery and assembles cars for Toyota Motor.

Toyoda Tsusho, a trading company which specialises in vehicles, increased its sales by 10.6 per cent to Y1,953bn.

Pre-tax profits , however, were unchanged at Y15.5bn.

Sales at Aisin Seiki, a supplier of auto parts to group companies, increased by 12.9 per cent to Y458bn, while rofits improved by 10.8 per cent to Y20bn at the pre-tax level.

Toyoda Machine Works, the group's in-house machine tool maker, boosted sales by 17.3 per cent to Y156bn and profits by a modest 2 per cent to Y9.5bn.

The four companies forecast modest increases in sales and profits for the current year, to March 1991.

INTERNATIONAL CAPITAL MARKETS

Murdoch plans to float 40% of HK newspaper

By John Elliott in Hong Kong

MR RUPERT MURDOCH'S News Corporation is finalising proposals to cash in on its wholly-owned and highly profitable South China Morning Post Publishers of Hong Kong by seeking a listing for the company on the local stock exchange and by then floating a stake of about 40 per cent through share placements and a general public offer.

Analysts believe that the flotation will include both new and existing shares and that it could yield about HK$1bn (US$130m) for News Corporation, which would continue to hold the remaining 60 per cent.

They put the current market value of the company at HK$4bn, which compares with a net outlay of about HK$2bn believed to have been made by Mr Murdoch in 1986-87 when he bought the Post from a variety of owners, including the Hongkong and Shanghai Bank, Hutchison Whampoa, and Dow Jones of the US.

He then sold a large stake in the locally-based Far East Economic Review and a small interest in Dow Jones Asia to Dow Jones and took the company private.

The main newspaper in the English-language publishing company is the daily South China Morning Post, which is believed to have made profits of HK$400m last year.

It was running massive issues totalling up to 250 pages on Saturdays, with over 140 pages of classified advertising, before last June's Tiananmen Square crisis in Peking hit the colony's economy.

Saturday issues now run up to between 160 and 170 pages.

The daily circulation, however, is only 103,000, which is thought to make the paper by far the most profitable per copy sold of all Mr Murdoch's international titles.

Standard Chartered Asia is advising News Corporation, whose chairman Mr Richard Searsby last night issued a statement saying a listing was being planned, but gave no further details.

It is thought that the issue is likely to take place within about two months.

Umno pumps life into its holdings

Lim Siong Hoon analyses Malaysia's largest proposed acquisition

As one of Malaysia's largest acquisitions was being unveiled last week – under which Renong, a small loss-stricken property company, proposes to buy for M$1.23bn (US$452m) two investment companies operated by the United Malaysia National Organisation (Umno), the country's main ruling party – the leading players in the deal, Mr Halim Saad and Mr Anuar Othman, were out of town.

That left Mr Chan Chin Cheung, the Renong executive chairman who has sold nearly all his 33 per cent stake in the publicly-quoted company, to field the embarrassing questions. No, he said, there had been no political pressure on him to sell his Renong stake to Pacific Fleet, another Umno company and an investment vehicle of Mr Halim and Mr Anuar.

Mr Chan's divestment ends his independent control of Renong, which has just emerged from a debt-to-equity conversion scheme to unload M$23m of debt. After this, Renong's future was looking up, with a pre-tax profits forecast at M$1.6m for the year to June compared with pre-tax losses of M$9m in the year before.

After the deal – a reverse takeover – Umno's companies Fleet Group and Hatibudi, and Mr Anuar, their chief representative, will command 52 per cent of Renong's M$1.34bn enlarged capital base.

Until now Fleet Group and Hatibudi have rarely divulged financial details, partly because of their political character. Now, however, some raw data has surfaced. For instance, they control a sprawl of varied companies altogether capitalised at nearly M$5bn, and their combined investments stand at M$1.1bn.

Fleet Group, the bigger of the two, has M$800m investments which were almost entirely debt-financed. The debt level remains "significant," says Bumiputra Merchant Bankers, Renong's adviser. Having to lay bare its books is a small sacrifice for Umno to get hold of its Fleet investments.

Renong's largest and only substantial shareholder is Pacific Fleet, which made a deal in February with Mr Chan to buy a 14 per cent stake from him.

It appears that Mr Chan received a good price to relinquish control of Renong. In the company's earlier debt reconstruction which doubled the equity base to M$110m, Mr Chan reportedly paid 49 sen (Malaysian cents) for each of his 36m new shares. Renong's prices have rocketed, from last year's 39 sen low to M$4.54 high this year.

In the now-proposed acquisition, via a share swap, Renong is to issue shareholders in Fleet Holding, Fleet Group's parent, and in Hatibudi 1.04bn shares at M$1.00 each. As a result, the spread of banking, finance, manufacturing, construction and media groups will pass directly from the Fleet Group and Hatibudi to Renong.

On completion of the deal, Fleet Holding is to dispose of 55 per cent of its 795m new shares under a restricted four-for-one offer to other Renong shareholders. This will bring to Fleet Holding M$440m cash which, one analyst says, is equivalent to pressing the public to help finance Umno's "botched" investments.

Financial advisers to Fleet Holding have proposed a two-prong salvage operation of Fleet Group and other investments. One prong calls for the Fleet parent to buy the assets of Faber Merlin, an Umno-owned hotel chain which has been a severe financial drain on the party's other investments. This strategy bypasses the need to seek Renong's minority shareholder approval.

The second prong, which comes within Renong's preserve, will attempt to dissipate debts among its various units.

The acquisition will immediately capitalise Renong into one of the country's largest conglomerates, as big as Sime Darby, the largest. Renong's pre-tax profit forecast to next June is M$85m; its net tangible assets will amount to M$1.26bn.

The advisers also say there will be an instantaneous leap in earnings, from 0.7 sen a share to 6.6 sen. At an issue price of M$1.00, the price/earnings ratio of 14 is below industry average. This leads one analyst to think there has been a discount. Fleet Holding's partial offer could be an incentive to minority shareholders to vote for the deal, given the fondness of Malaysian investors for rights issues.

After the divestment, the company's stake in Renong will be watered down from 64 per cent to around 29 per cent.

From its subscription, Pacific Fleet is to lift its stake from 1.2 per cent to 6 per cent. With 18 per cent, Mr Halim Saad, who at the age of 36 owns 90 per cent in Hatibudi, will be the single largest individual shareholder.

Mr Halim is, say some, the captain of Umno's commercial fleet. He is steering through not just Renong's sudden rise, but also that of other companies in Umno's fleet – UE, Time Engineering, Cima, and Kinta Kellas.

Hatibudi's acquisitive appetite started with UE, a year after Hatibudi was created in 1987. Until it received the government award to operate a highly profitable privatised 850km toll expressway, UE was an almost insolvent group suspended in the local bourse for a few years to May 1988.

After UE, other acquisitions followed, beginning with Time last July. Cima and Kinta Kellas, a property and leasing group, are now UE subsidiaries.

Since Umno's buying spree, stock values among the various groups have rocketed; in UE by as much as 309 per cent from M$3.86 a share low last year; in Kinta Kellas by 763 per cent; in Cima by 995 per cent.

Renong's resuscitation follows a pattern of turning small and financially-stricken groups into big enterprises. Renong however is unlike previous Umno acquisitions, all of which acted as conduits for contracts spun off from the M$6bn privatised road project. It encompasses a political and commercial role, as a holding group for Umno, in search of a wider public appeal.

Maxwell's Bond stake frozen

By Kevin Brown in Sydney

A 14.9 per cent stake in Bell Group, Mr Alan Bond's media concern, acquired last week by Mr Robert Maxwell, the UK newspaper publisher, was yesterday frozen for at least two months by an Australian court.

A federal judge in Perth, Western Australia, granted an interim injunction to the National Companies and Securities Council preventing Mr Maxwell from selling any part of the stake until after a further court hearing, probably in July. The court will then hear a full trial of claims by the commission that the shares are part of a 16.57 per cent parcel acquired by Mr David Aspinall, Bell's managing director, in breach of Australia's takeover code.

The commission says Mr Aspinall's purchase of the shares breached the code because he is an associate of Mr Bond, whose Bond Corporation Holdings owns 74.5 per cent of Bell.

Under the code, holders of more than 19.9 per cent of shares in a company are barred from acquiring more than a further 3 per cent without launching a full bid.

Mr Aspinall, who denies breaching the code, says he acquired the shares to prevent them falling into the hands of a hostile owner who might have endangered Bell's business interests.

The shares were formerly owned by the State Government Insurance Commission of Western Australia, which dumped its 19.6 per cent holding in the market in order to protect a price indemnity agreement with Bond Corporation Holdings.

The commission failed in an earlier court attempt to prevent the shares being registered in Mr Maxwell's name. However, the court could order the disposal of the shares, probably by vesting ownership in the Commission.

Mr Maxwell's target is believed to be the profitable West Australian newspaper, owned by Bell, although he would need federal government approval to increase his stake beyond 14.9 per cent.

Analysts have also suggested that Mr Maxwell's interest in Bell could lead to a deal in which he would acquire both the West Australian and Bond Corporation's stake in the British Satellite Broadcasting venture (BSB).

Bond Corporation has been trying to find a buyer for its BSB stake for some time in an attempt to clear some of the group's debts.

Premier rises 25% to R260m

By Philip Gawith in Johannesburg

PREMIER Group, the large South African food and consumer products supplier, increased pre-tax profit by 25 per cent to R260.2m ($99m) in the year to March 31 following a large-scale restructuring.

During the year the group divested itself of its 33.8 per cent interest in South African Breweries (SAB), a stake whose good performance had helped disguise underperformance within Premier itself. SAB was contributing approximately 65 per cent of group earnings.

At the same time Premier raised R280m through a rights issue which helped alleviate a debt burden of R500m

The group had a particularly good second half with earnings per share up on the first half and 27 per cent better than the same period in the previous year.

With last year's figures restated to give effect to the restructuring, the group increased turnover by 5 per cent to R4.34bn. The better profit figures reflect improved productivity and margins and a lower interest bill. Margins improved 0.8 per cent to 7.7 per cent and the debt:equity ratio now stands at 23.1 per cent compared to the previous year's 51.8 per cent.

A divisional breakdown of results shows Premier firmly based as a food group. A total of 67.2 per cent of the group's R122m attributable earnings came from the food division compared with 60.8 per cent in the previous year. Twins Pharmaceuticals contributed 15.5 per cent, entertainment division CNA Gallo 12.3 per cent and wholesale pharmaceutical and Greshams, the hardware distribution arm 5 per cent.

Good results were achieved by the food division, CNA Gallo and the ethical and toiletries divisions of Twins Pharmaceuticals. The pharmaceuticals wholesale and consumer durables divisions did not perform to expectation.

INTERNATIONAL CAPITAL MARKETS

Merrill challenges Tokyo brokers

By Stefan Wagstyl in Tokyo

MERRILL Lynch, the US securities company, is following a unique path among foreign stockbrokers in Tokyo in making a concerted effort to establish itself in the retail investors' market.

While other overseas securities companies have baulked at the difficulty of challenging the big Japanese stockbrokers on their home ground, Merrill has been quietly building a branch network. Revenues from retail investors account for some 25 to 35 per cent of Merrill's Japanese revenues and profits.

Later this year, Merrill intends to open its sixth Japanese private clients' office – adding Kobe in Western Japan to a network which covers Tokyo, Osaka, Kyoto, Nagoya and Yokohama.

Mr Randy Harris, president of Merrill Lynch Japan, said the company was considering opening further offices over the next few years at a rate of perhaps one a year.

Mr Harris believed Merrill's success in the private clients' business was primarily due to its long tradition in the same market in the US. "It goes back to some of the basic culture underlying Merrill Lynch... We have 46 private clients' offices in 31 countries."

The group has also benefited from being the first foreign stockbroker to open an office in Japan, in 1961. After 30 years in Japan Merrill had greater client identification than other securities foreign companies, said Mr Harris. However, some houses might dispute this claim, notably Salo Brothers, the largest American securities company in Tokyo.

But Merrill scored highly in a press poll earlier this year in which Japanese executives were asked to rank foreign financial companies. In the six months to September, Merrill had operational revenues of Y7.9bn, the fourth highest among foreign brokers, according to figures reported to the Japanese Ministry of Finance.

Merrill has carefully targetted its potential customers. It is not interested in the average pensioner or company executive but in rich individuals.

Big Japanese brokers also lavish attention on their wealthier clients. But Mr Harris believes that Merrill is able to offer a greater range of international products and services. "Merrill Lynch is a global firm with global products." So, it has a more balanced approach to recommending investments, said Mr Harris.

About 150 of Merrill Lynch Japan's 550 staff work in the private clients' offices. All are Japanese, including some transferred from other divisions of Merrill and some hired from other securities companies.

Morgan Grenfell sells 25% of Hong Kong arm

MORGAN Grenfell Asia has sold a 25 per cent stake in Morgan Grenfell Asia & Partners, its Hong Kong broking arm, to Ong Holdings (HK), Reuter reports.

The transaction increases Ong Holdings' stake in the company to 75 per cent while Morgan's stake in the company will be reduced to 20 per cent. The company's name is to be changed to Ong & Co (HK).

Following the disposal, Morgan will establish a securities company to be known as Morgan Grenfell Asia Securities (HK) which will operate as a broker in Hong Kong equities, concentrating research on small and medium-sized companies.

Singapore bank gains seat on Manila bourse

THE United Overseas Bank of Singapore has acquired a seat on the Manila Stock Exchange, bringing the number of brokers on the bourse to 93, Reuter reports.

United Overseas' entry into the Manila exchange closely followed two other foreign companies, Nikko Securities of Japan and Singapore's Overseas Chinese Banking, which acquired seats last month.

These developments "are strong indications that foreign institutions remain bullish on the long-term outlook of the Philippine equities market," said the Manila exchange president.

United Overseas, the largest financial company in Singapore with total assets of more than S$20bn, is listed on the Singapore, Kuala Lumpur and Hong Kong stock exchanges.

Treasuries recover ahead of 30-year bond auction

By Janet Bush in New York and Deborah Hargreaves in London

US TREASURY bonds moved marginally higher in advance of yesterday's $10bn 30-year auction, the last of this week's quarterly refunding, helped by a rebound in the dollar and the fact that the first two days' sales went well.

GOVERNMENT BONDS

At midsession, most issues were around ⅛ point higher but long-dated bonds were unchanged from Wednesday's closing levels. The benchmark long bond was quoted unchanged for a yield of 8.86 per cent.

Midsession levels were below early peaks when some issues were quoted around ⅜ point higher, mostly reflecting the dollar's rise overnight to above Y157.00.

The mood going into the 30-year sale was optimistic, partly because the three-year and 10-year sales saw good competitive and non-competitive demand. However, there were some notes of caution being sounded.

Firstly, despite the dollar's modest recovery overnight, there is still some concern that the US currency may be heading lower in the longer-term. Secondly, some overseas government bond markets – in Switzerland, for example – are offering increasingly attractive yields compared with the US market. Thirdly, there is very little yield differential between the relatively low-risk three-year area of the yield curve and more risky 30-year bonds and some investors may not feel it is worth buying the long-dated securities.

■ UK GILTS experienced some turbulence yesterday as the market continued to try to find a level ahead of the release of the retail price index today. The weakness of sterling on the foreign exchange market also affected sentiment in UK government bonds.

As traders covered some short positions late in the day, prices were squeezed upwards, but retail investors remained absent from the thin market.

UK gilts traders are bracing themselves for a sign today that inflation is in the 9.5 per cent range – on an annual basis – and they continue to be concerned about wage settlements. If today's figure comes in at the lower end of the market's expectations, it may elicit a knee-jerk reaction with an upward swing in gilts prices. But the bears will still be worried about inflation over the next few months.

■ THE GERMAN bond market traded in a narrow range yesterday as futures prices edged up 10 pfennigs to close at 84.14 – from a previous level of 84.04.

The German market still has its focus on East Germany and the strike by teachers and farm workers yesterday over possible job losses highlighted the naivety of East German workers about the market economy.

Rumours of a new bund issue are still floating round the market with DM4bn of an 8¼ per cent coupon expected next week, however this has not been confirmed.

Bund investors are also looking at state elections in Lower Saxony and Nordrhein Westphalia on Sunday which should give an indication of the popularity of Chancellor, Helmut Kohl, and some pointers towards the outcome of the general election at the end of the year.

■ Investors in the French market have viewed the political uncertainty of the last few days as a good opportunity to take profits on their OAT holdings. This pushed the market upwards yesterday morning as the notional bond futures price on the Matif traded up from 103.30 to 103.72.

Prices dropped towards the close, leaving futures up at 103.42. The vote of censure in France's Socialist Government failed on Wednesday night when it was not supported by the Communist party, but concern over the political situation continues.

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
UK GILTS		10.000	4/93	91-28	+03/32	13.44	13.75	13.35
		10.500	5/99	88-16	+09/32	12.68	12.96	12.46
		9.000	10/08	80-30	+10/32	11.48	11.77	11.44
US TREASURY *		8.500	02/00	97-17	+07/32	8.88	9.04	8.60
		8.500	02/20	96-07	+03/32	8.86	8.99	8.56
JAPAN	No 119	4.800	6/99	86.4328	-0.235	7.28	7.41	7.26
	No 2	5.700	3/07	89.5980	-0.068	7.05	7.12	7.24
GERMANY		7.750	02/00	96.2000	-0.050	8.48	8.81	8.70
FRANCE	BTAN	9.000	02/95	96.8955	-0.035	9.82	9.93	10.03
	OAT	8.500	03/00	94.1000	+0.200	9.43	9.65	9.57
CANADA *		9.750	05/00	92.2000	+1.450	11.06	11.70	11.59
NETHERLANDS		7.750	01/00	93.0900	+0.040	8.82	9.06	9.01
AUSTRALIA		12.000	7/99	92.0827	+0.440	13.52	13.66	13.46

London closing, *denotes New York morning session
Yields: Local market standard. Prices: US, UK in 32nds., others in decimal

Technical Data/ATLAS Price Sources

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Closing prices on May 10

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Alberta 8⅝ 96	750	95⅛	95⅝	+0⅛	+1	9.56
Alberta 9⅜ 95	600	99⅛	99⅜	-0⅛	+1	9.50
Austria 9⅝ 93	140	†100¼	100¾	-0⅛	+0½	9.40
B.F.C.E. 8¾ 94	175	†96¼	96¾	+0⅛	+1	9.38
B.F.C.E. 9¼ 95	150	†98⅛	98⅝	-0½	+0⅝	9.62
Brit. Tel. Fin. 9⅞ 98	250	†98	98½	0	+0¼	9.67
Canada 9 96	1000	98⅞	99⅜	0	+1	9.22
C.C.C.E 9¼ 95	300	98⅞	99½	+0⅛	+1	9.43
Cr.Local France 8⅞ 99	250	94⅞	95⅛	+0¼	+1¼	9.59
Credit National 7⅜ 92	100	96⅝	97⅛	0	+0⅜	9.18
Credit National 9½ 92	160	†100	100½	0	+0¼	9.34
Denmark 8¼ 94	150	†95¼	95⅝	+0⅛	+0½	9.60
E.E.C. 7 91	100	96½	97	0	+0⅛	9.27
E.E.C. 10 93	140	*101¾	101¾	0	+0⅞	9.37
E.I.B. 8½ 99	150	92¾	93¼	0	+1¼	9.64
Eurofima 10⅛ 93	100	*101¾	102¼	0	+0⅝	9.33
Elec. De France 9⅛ 99	200	†99	100	+0¼	+1¼	9.58
Euro.Credit Card Tst. 9 95	750	97	97⅜	0	+0¼	9.76
Finland 9 96	250	†97¼	97¾	-0⅛	+1	9.53
Finn.Exp.Cd. 8½ 92	200	98⅛	98⅝	0	+0⅛	9.31
Finn. Exp. Cd. 9⅛ 95	200	*†99	99⅛	0	+0⅞	9.56
Ford Motor Credit 8 93	250	†98⅛	99⅛	0	0	0 09
G.E.C.C. 10½ 91	300	†100⅝	101⅛	+0⅛	+0¼	0.09
G.M.A.C. 8¾ 94	500	†96	96½	+0⅛	+0⅛	9.78
G.M.A.C. 9 96	300	96⅞	97⅝	+0⅛	+1½	9.59
Gen. Mtrs. Corp. 9⅛ 92	300	†99	99½	0	+0¼	9.49
Honda 9⅝ 97	300	98⅛	98⅝	-0⅛	+0⅞	9.92
IBM Credit Corp. 8⅝ 92	400	98⅞	99⅛	0	+0⅛	9.17
IBM Credit Corp 8⅞ 91	250	†98⅝	99⅛	0	+0⅛	9.65
IBM Credit Corp. 9 92	250	99⅛	99⅝	+0⅛	+0⅛	9.16
IBM Credit Corp. 9½ 92	250	100	100⅜	-0¼	+0¼	9.38
Italy 8½ 94	1500	96¼	96¾	0	+1	9.47
Italy 9½ 95	1000	99⅞	100¼	0	+1⅛	9.47
Italy 9⅝ 99	1000	99⅞	100¼	0	+1¼	9.66
Rob C. W/W 4⅝ 94	1000	†95½	97	+0½	+0¼	5.67
Japan Dev. Bank 10 96	200	†101½	102	-0⅛	+1	9.60
KFW Intl. Fin. 9 94	300	98⅛	98½	0	+0¼	9.48
L.T.C.B. of Japan 8¼ 96	200	94½	95¼	-0¼	+0¾	9.89
L.T.C.B. of Japan 9¼ 92	200	†98⅞	99⅛	-0⅛	+0⅝	9.61
New Zealand 9 94	850	97⅜	97¾	-0⅛	+0⅞	9.71
Nippon Tel & Tel. 8½ 96	200	94⅛	94¾	-0⅛	+0¼	9.64
Nippon Tel.&Tel. 9⅜ 98	250	†97⅞	98⅜	-0¼	+1	9.69
Norway 8⅜ 93	500	†98½	99½	+0⅛	+1	9 14
Oesters Kontbk. 9¼ 94	350	†99⅜	99⅞	+0⅛	+0⅞	9.50
Sumitomo Corp. W/W 4 93	1500	†104	105½	+0⅞	+3½	2.41
Sweden 8¼ 96	200	96½	97⅜	0	+1	9.46
Toyota Mtr.Corp. W/W 4 93	1500	100⅞	102⅞	+0⅜	+1¼	3.43
Victorian Rep 11⅝ 92	150	†103¼	103⅝	0	+0⅝	9.66
Union Bk. Switz. 9¼ 02	225	95	95⅜	0	+1¼	9.83
World Bank 8⅜ 99	1500	94¼	95	+0⅛	+1¼	9 00
World Bank 9 97	300	†97¼	98¼	+0⅛	+0⅞	9.38
World Bank 9 93	300	†99⅛	99⅝	-0¼	+0½	9.21
World Bank 9¼ 98	300	†98	98½	+0⅛	+1¼	9.54
World Bank 9⅝ 99	500	100	100⅝	0	+1⅛	9.57

Average price change... On day +0⅛ on week +1⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Asian Dev. BK. 6 94	200	88½	89⅛	0	+0⅝	9.08
Austria 6¾ 99	750	87¼	87⅞	0	+1⅝	8.81
Bk.Frgn.Econ.USSR 7 96	750	–	–	–	–	–
Bank of Tokyo 5¾ 93	100	92	92½	+0⅜	+1½	8.98
Commerzbank o/s. 5⅝ 93	300	91¼	91¾	+0¼	+0¼	9.08
Credit Foncier 6¾ 99	500	†86	86½	0	+0¾	9.06
E.I.B. 6¼ 99	600	83⅞	84½	+0⅛	+1⅜	8.94
E.I.B. 6½ 99	300	85	85⅝	+0⅛	+1¼	8.96
E.I.B. 6⅝ 96	600	88⅝	89¼	0	+0½	9.10
E.I.B. 6⅞ 95	300	90⅝	91	0	+0⅝	9.06
E.I.B. 8 2000	500	96⅝	97	+0¼	+1½	8.47
Euro.Coal& Steel 7¼ 94	100	†95½	96	0	0	8.89
Eurofima 6¼ 96	100	86½	87¼	0	+0½	9.17
Elec De France 5¾ 97	300	82⅞	83¼	+0¼	+0⅞	9.15
Hydro-Quebec 6¾ 99	300	85¾	86¼	+0¼	+0⅝	9.16
Japan Dev. Bk. 5⅜ 95	300	84⅞	85⅝	0	-0⅛	9.21
Japan Finance 5¾ 97	100	83⅛	83⅞	+0¼	+0¾	9.11
I.A.D.B. 7¼ 99	300	89⅝	90⅛	+0⅜	+1⅛	8.91
Ireland 6½ 97	300	86	86½	+0¼	-0¼	9.26
Ireland 7¼ 99	500	88⅝	89⅜	+0¼	+1⅛	9.07
Malaysia 6¼ 94	150	88⅝	89⅜	-0¼	+0¼	9.58
Nat. West BK. PLC 6 98	300	81½	82¼	0	+0¼	9.32
Nippon Telg.&Tel. 6 95	400	†86¾	87¼	-0⅛	+0½	9.24
Oesters. Kontbk. 5 93	300	90¼	90⅞	0	+0¼	9.07
Portugal 5⅝ 92	150	93⅝	94⅛	0	+0⅝	8.80
Portugal 6⅝ 95	150	89⅛	89⅞	+0¼	+0¼	9.23
Royal Insurance 5½ 92	300	93	93½	0	-0⅛	9.50
Turkey 6½ 95	500	87¼	88	-0¼	0	9.74
Union Bk.Finland 5½ 94	200	87⅞	88⅝	0	-0⅛	9.39
World Bank 6 98	500	82¼	82⅞	+0¼	+1¼	9.01
World Bank. 6¼ 97	600	85⅜	85⅞	0	+1	9.05
World Bank 6¾ 99	600	87⅛	87½	+0⅜	+1⅞	8.82

Average price change... On day -0½ on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
African Dev.Bk. 5 96	150	†83¼	84	-0⅛	+0⅛	8.49
Asfinag 5 03	100	†79½	80½	0	-0¼	7.41
B.F.C.E. 4½ 98	200	†83	83½	-0¼	-1	7.29
B.M.W.Fin.Neth. 5 13	150	†74	75½	+0⅝	+1	7.30
Britannia B/S. 4¼ 94	100	†85½	86¾	+0½	+0⅜	8.39
CIR. Int. W/W 3 93	125	†83½	83¾	0	+4½	9.13
Credit Lyonnais 4¼ 00	100	†78	78½	0	-0¼	7.98
E.I.B 4⅝ 98	150	†82	82¾	+0⅛	-0⅛	7.66
Finn. Exp. Cd. 8¾ 92	75	†98¾	99	-1	+0⅝	8.75
Fletcher Chall. 4⅞ 98	150	†77	78	0	+1⅝	8.96
I.A.D.B. 6 2004	200	†86	87	+0¼	+0½	7.57
Kobe City 4⅝ 98	150	†81¼	82	+0⅛	-0⅛	7.74
Leeds Perm. B/S. 4⅛ 93	200	†87½	88½	0	-1	8.95
Malaysia 5¼ 98	100	†80¾	81¼	+1¼	+1⅞	8.58
Maxwell Comm.Crp. 5 95	150	†80¾	81	+0⅛	0	9.95
Nat. Bk. Hungary 5½ 94	75	†84½	85	+0¼	+1⅜	9.74
Nationwide Ang.B/S. 4 93	200	†86¼	87¼	-0⅛	+0⅛	8.98
Prov. Newfoundland 5 03	150	†78	78½	0	+0¼	7.62
Thailand 4⅝ 95	200	†83	84	+0½	+0½	8.72
World Bank 5 03	150	†80	80½	+1⅛	+1½	7.38

Average price change... On day +0⅛ on week +0½

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Canada 5⅝ 93	80	95⅝	95⅞	0	+0¼	7.14
Cr.Local France 6¼ 94	300	96¾	97	+0⅛	+1⅛	6.56
Denmark 6¼ 95	300	96⅝	96⅝	0	+0⅞	6.59
Denmark 7 98	400	99⅝	99⅞	-0⅛	+0¾	7.05
E.I.B. 4⅞ 93	30	94¼	94½	-0⅞	+0¼	7.14
Norway 5⅛ 95	150	92½	92⅞	-0⅛	+0⅝	6.95
Sweden 4⅝ 93	50	93¼	93½	+0¼	+0⅜	7.15
World Bank 5⅛ 98	10	87⅜	87⅞	+0⅛	+0½	7.24
World Bank 7 94	20	100½	101	+0¼	+0⅞	6.78

Average price change... On day 0 on week +0¾

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Abbey Nat. 10¼ 94 C$	150	90½	91⅛	0	+1⅝	13.16
Abbey Nat. 11⅝ 93 £	100	93	93½	-0¼	+0⅛	14.73
Aegon 7¾ 92 FL	100	97⅝	98	0	-0⅜	8.10
Alg. Bk. Ned. 5¾ 93 FL	200	91⅝	92	0	0	9.21
Austria 7½ 94 ECU	100	†90⅝	91⅛	0	+0¼	10.47
Barclays Aus.13½ 91 A$	100	98⅛	98½	0	+0¼	14.75
Bell Canada 10⅞ 04 C$	200	89¼	89¾	+0¼	+3	12.45
BP Capital 9¼ 93 £	100	88½	89	-0¼	+0½	14.74
British Airways 10 98 £	100	80⅜	80⅞	0	+1⅜	14.28
Brit. Telecom 9½ 93 £	150	†88½	89	+0⅜	+0⅞	14.58
Comm.Bk.Aust. 12⅝ 93A$	100	†95¼	95⅝	+0⅛	+0¾	14.60
Comm.Bk.Aus.13¾ 94 NZ$	60	100½	101½	0	-0⅜	13.37
Credit Foncier 9 96 Ecu	100	93	93½	+0¼	+1⅛	10.53
CreditFoncier 9⅛ 99Ecu	150	†93¼	93¾	+0½	+1⅜	10.41
Cr.LocalFran.10¼ 95 Ecu	225	98¾	99⅝	0	+0½	10.50
Deut. Bk.Aus. 13¾ 93 A$	125	97⅞	98⅛	+0⅛	+0⅛	14.09
Deutsche Bk.Fin. 15 94 A$	100	102¼	102¾	+0⅛	+0⅜	14.12
Elec.De France 9¾ 99C$	150	85⅜	86	–	–	12.41
E.I.B. 7 96 LFr	100	*†89½	89½	0	0	9.44
E.I.B. 7⅛ 99 FL	150	88	88½	0	+0½	9.03
E.I.B. 9 99 Ecu	150	91½	92	+0¼	+1⅛	10.46
E.I.B. 10 97 Ecu	800	97⅞	98¼	+0⅜	+1⅜	10.41
Eurofima 7⅝ 94 Ecu	100	91¾	92¼	+0⅛	+0¾	10.30
Fed.Bus.Dv.Bk.9¾ 92 C$	75	†93¾	94¼	-0⅛	+0¾	13.23
Ford Cr.Can.10⅞ 93 C$	100	†94	94½	-0¼	+0¾	13.32
Ford Cred.Can.10⅞ 96C$	125	91⅝	92⅛	-0⅛	+1⅞	12.92
Ford Cred.Fund.10¾ 93£	60	89⅜	90	-0⅛	+0¼	14.67
G.M.A.C.Canada 11 3/494C$	100	96¼	96¾	+0⅛	+1¼	12.93
Heineken 7⅝ 94 FL	150	95⅞	96½	0	+0⅜	8.10
Hydro-Quebec 11 99 C$	400	91⅞	92¼	-0⅜	+2½	12.53
Lloyds Bank 10¾ 98 £	150	81	81½	-0⅜	+1⅛	14.37
Lloyds Bank 11⅜ 98 £	100	†85	85½	-0¼	+1⅛	14.44
Nat. Aus. Bk. 14¼ 94A$	100	99¼	99¾	+0⅛	+0⅜	14.87
New Zealand 9½ 93 £	100	88⅛	88½	-0⅜	+0¼	14.65
O.E.K.B. 10¼ 99 C$	150	88⅛	88⅝	0	+2⅝	12.42
Royal Bk.Scot.10⅝ 98 £	125	83	83½	-0⅛	+1⅛	14.34
Saskatchewan 10¾ 93 C$	200	92⅛	92⅝	-0⅛	+0¾	13.04
State Bk.NSW. 13⅞ 93A$	100	97⅞	98⅜	+0⅛	+0½	14.50
Sweden 7½ 93 Ecu	250	92⅛	92⅝	+0¼	+0¾	10.15
Sweden 15 94 A$	100	102⅜	102¾	+0⅛	+0¼	14.07
Toyota Mtr.Cr.10⅝ 94C$	150	91¼	91⅝	-0⅛	+1½	12.96
Toyota Mtr.Cr.11⅜ 92C$	150	96¾	97⅜	0	+0½	13.12
World Bank 7⅛ 99 FL	300	88⅛	88⅝	0	+0½	9.06
World Bank 9½ 95 Ecu	100	97	97½	+0⅛	+0⅞	10.24
World Bank 10⅞ 94 £	200	89⅜	89⅞	-0⅛	+0½	14.23
World Bank 13⅜ 92 A$	100	98⅛	98⅝	0	+0⅛	14.20
World Bank 14¼ 94 A$	75	99⅛	99⅝	+0⅛	+0⅛	14.39
Zentrspk. 13¼ 93 A$	75	†98⅜	98⅞	+0⅛	+0⅜	13.71

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn
Alliance & Leic. Bld 94 £	.08	99.87	99.92	24/07	15.33
Bank of Greece 99 US	*+0¼	98.50	98.50	8/09	8¼
Belgium 91 US	0	99.94	100.04	21/08	8.32
Chelt. & Gloucester 94 £	.063	99.75	99.80	31/05	15¼
Credit Foncier 98 US	.063	99.55	99.65	20/10	8.44
Dresdner Finance 99 DM	†.031	100.18	100.28	30/07	8.81
EEC 3 92 DM	†0	100.54	100.64	21/08	9
Halifax BS 94 £	1	100.01	100.06	9/05	15.22
Invt. In Industry 94 £	0¼	99.93	100.03	17/07	15.37
Leeds Perm. B/S. 94 £	0⅛	100.06	100.11	17/07	15.37
Milk Mkt.Brd. 5 93 £	0⅛	99.88	99.93	29/06	15.31
New Zealand 5 97 £	.07	99.95	100.05	22/05	15.06
Northern Rock 92 £	0½	99.84	99.89	30/07	15.44
State Bk. Nsw. 98 US	.188	99.40	99.62	14/08	8.56
Woolwich Equit.BS. 93 £	0⅛	100.03	100.08	17/07	15.37
Woolwich 5 95 £	0⅛	99.92	99.97	22/05	15¼

Average price change... On day 0.00 on week +0.02

CONVERTIBLE BONDS	Cnv. date	Cnv price	Bid	Offer	Chg. day	Prem
Alcoa 6¼ 02 US	8/87	62.	108	109	-0⅜	5 94
Amer. Brands 5¼ 05 US	4/90	79.	99	99⅞	0	21.00
Asda 4¼ 02 £	3/87	1.64	101⅛	102⅛	-0⅜	69.86
Bank of Tokyo 3¾ 04 US	3/89	1772.	67⅛	68⅝	0	7.95
CBS. Inc. 5 02 US	†4/87	200.	98¾	99⅞	-0⅛	8.84
Dai-Ichi Kan. 3⅞ 04 US	7/89	3486.	72	73	-0½	16 77
Daiwa Bank 3⅛ 95 US	2/90	1628.	89¾	90¾	-0⅛	3.74
Primerica 5½ 02 US	4/87	66.75	71¼	72¼	-0⅛	61.64
Eng.China Clay 6½ 03 £	9/88	4.8	78	79	-0⅛	3.64
G.M.K. 7½ 2000 US	2/90	1.37	77¼	78¼	+1⅞	83.65
Ladbroke Grp. 5¼ 04 £	6/89	3.55	93¼	94¼	-0⅛	20.31
Land Secs. 6¾ 02 £	6/87	6.72	76⅛	77⅛	-0⅜	9.56
Minolta Camera 2¼ 94DM	2/86	1004.	92⅞	94⅞	-0¼	16.15
MCA Inc 5½ 02 US	9/87	69.62	93	94	-0⅜	15 47
Mitsubishi Bk. 3½ 04US	5/89	3266.	71	72	-0⅞	15.38
Next Plc 5¾ 03 £	11/87	4.3	96⅛	97¼	0	539.21
Omnicom Inc. 6 1/2% 04 US	7/89	28.	103⅛	104	+0⅛	18.87
Ranks Hovis 4⅛ 03 £	1/88	3.5	106½	108	+0¼	2.28
Redland 7¼ 02 £	1/87	5.4	100¼	101½	+0¼	-2.55
Saatchi&Saatchi 6¾ 03 £	†10/87	4.41	64	65	+0¼	145.21
Sanwa Bank 1¾ 02 US	10/87	2767.	76¼	78¼	-0¼	6.10
Sumitomo Bank 3¼ 04 US	2/89	3897.	66⅝	67½	-0⅛	20.97
Texas Inst. 2¾ 02 US	9/87	82.87	74⅞	75⅞	+0¼	75.32
Utd.N'papers 8 04 £	10/89	8.77	128⅛	129½	-1⅛	244.73
W.R. Grace 6¼ 02 US	9/87	42.12	81⅞	82⅞	-0¼	29 09

* No information available-previous day's price

† Only one market maker supplied a price

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡three-month; §above mean rate) for US dollars. C.cpn = The current coupon.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv date = First date of conversion into shares. Cnv. price = Nominal amount of bond per share expressed recurrency of share at conversion rate fixed at issue. Prem = Percentage premium of the currenteffective price of acquiring shares via the bond over the most recent price of the shares.

INTERNATIONAL CAPITAL MARKETS

World Bank issue to raise A$100m over six years

By Andrew Freeman

THE World Bank dominated new issue activity on the Eurobond market yesterday, as business otherwise retreated ahead of today's key US economic figures. Syndicate officials confirmed, however, that the dollar sector is set to re-open early next week.

INTERNATIONAL BONDS

Deutsche Bank Capital Markets is understood to have won the mandate for a $300m fixed-price re-offered issue for the International Finance Corporation, while Long Term Credit Bank International is thought to be preparing a $150m seven-year deal for Japan Development Bank.

In addition, next week sees the start of roadshows for Citicorp's global credit card issue which should be launched later this month.

Yesterday, Hambros Bank came late in the afternoon with an A$100m six-year issue for the World Bank. The paper carried a 14½ per cent coupon and was priced at 102. The lack of an existing high-coupon benchmark of similar maturity led to strong initial demand and the lead manager was quoting the paper at less 1¾ bid, a discount equivalent to co-managers' fees.

Hambros reported demand from a broad range of European investors, with institutional accounts showing a preference for the long maturity. Classic retail demand was slightly less in evidence. Although Hambros would not comment, it is understood the proceeds were swapped into D-Marks.

Several banks are understood to have bid for the deal and there was renewed comment that the charging of a ⅛ point *praecipuum*, a fee taken by the lead manager, was inappropriate. Syndicate officials said that both the prestige of the borrower and the relatively institutional appeal of the bonds made a *praecipuum* unnecessary.

In a quiet German market, Bayerische Landesbank Girozentrale was the book-runner of a DM200m 10-year issue for the World Bank which was aimed at savings banks. The deal was well received in broad demand and was trading comfortably inside fees at around less 1¼ bid.

In Switzerland, the Bank's SFr200m seven-year issue launched in late April by Swiss Bank Corporation was increased to SFr300m after good demand and was trading unchanged at less 1¼ bid.

Dealers said the Swiss primary market had an excellent day as lower short-term interest rates and a firm currency brought out investors. Monday's GECC deal was a strong performer, gaining ⅛ point to around less ¾ bid.

A 10-year SFr150m issue was launched to a fine reception by SBC for Asfinag, the Austrian motorway and road financing agency. The bonds carried a 7⅛ per cent coupon, last seen on a similar deal in mid-March when Electricité de France issued a 12-year deal callable after 10 years.

After some initial comments that the terms appeared tight, syndicate managers found consistent demand and the bonds traded steadily higher, closing ⅛ point inside co-managers' fees at less 1⅜ bid.

● Kidder Peabody fixed the terms yesterday on a postponed $50m convertible issue for Cellular Inc, a US mobile phone company. The deal, originally announced in early April, was relaunched with a higher coupon, a lower conversion premium and increased underwriting fees. The paper had a good reception and was quoted by Kidder at 99¾ bid.

● Daiwa launched the $24m international tranche of its two-tranche Thai Capital Fund yesterday. On top of the 2m international shares issued, the firm will also sell 3m shares in the US as the second tranche of the fund.

The Thai fund is being created to invest in shares of public and private companies established or operating in Thailand and is part of Daiwa's programme of creating a range of Far Eastern investment vehicles of appeal to Japanese investors. Country funds have faced difficult conditions in the US market in recent months when Japanese investors have bailed out and the funds have seen their trading premiums over net asset value tumble.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
AUSTRALIAN DOLLARS						
World Bank(a)◆	100	14½	102	1996	1⅞/1¼	Hambros Bank
D-MARKS						
World Bank(a)◆	200	8⅞	101⅝	2000	1⅜/1⅛	Bayerische Landesbank
SWISS FRANCS						
Asfinag(a)◆	150	7⅛	100¼	2000	2⅜	SBC
World Bank(b)◆	300	7½	101½	1997	2	SBC
US DOLLARS						
Cellular Inc.(c)§◆	50	8	100	2000	3¼/1.95	Kidder Peabody Int.
Pearl Street(d)‡◆	164	⅜	99.65	2002	20bp	Goldman Sachs
YEN						
Okobank(e)◆	10bn	7.4	101⅞	1995	1⅞/1¼	Nomura Int.
Kansallis-Osake-Pankki(f)◆	2bn	8	101⅛	1992	1⅛/⅝	Nippon Credit Int.
FINNISH MARKKA						
Export Dev.Corp.(Canada)(g)◆	500	13¼	101⅛	1993	1⅜/⅞	Postipankki
Skopbank(h)◆	255	14	100.90	1992	1⅛/⅝	Bankers Trust Int.

‡Floating rate notes. §Convertible. ◆Final terms. a) Non-callable. b) Issue increased from SFr200m. c) Conversion price $14.95. Conversion premium 15%. Non-callable. d) Issue increased from $152m. Coupon pays ⅜% over 6-month Libor. e) *Call at par after two years. f) Redemption linked to Nikkei stock index. Unlisted.* g) Issue increased from FM300m. h) Issue increased from FM205m.

Bond market renaissance in Latin America

Stephen Fidler on the renewed institutional interest in a deeply troubled market

After eight years in the doldrums, the market in bond issues by Latin American countries is beginning to stir. The prospect for a renaissance has already prompted research reports from a number of investment banks.

Whereas a year ago, there was little institutional interest in the subject, Mr Michael Johnson, assistant director at Samuel Montagu in London said investors, particularly in the US, were now interested in committing some funds to what he called high-yield sovereign assets.

There are several reasons behind the growing interest in Latin American bond issues. The demise of the US junk bond market has left unsatisfied demand for high-yielding bonds, even though growing problems of default on corporate junk bonds has lowered the appetite of US investors for high-risk assets.

The experience of those investors who bought Latin American bonds before the debt crisis began in 1982 has been good.

According to a report on developing country sovereign bonds by Salomon Brothers: "Using the most stringent definition of default to include any rescheduling of interest or principal, we estimate that, at most, 3.5 per cent of these internationally issued bonds have been rescheduled at maturity or been unpaid during the past 10 years, implying an average annual default rate of only 0.35 per cent."

Countries such as Argentina, Brazil and Venezuela have interrupted interest payments to banks – Venezuela is now up to date but Brazil and Argentina between them owe more than $11bn in back interest to banks – but they have continued to service their bond debt on time. So have Mexico, the Philippines and Uruguay. In Latin America only Costa Rica and Panama have delayed payments on their bond debt over the last decade.

Bondholders have enjoyed superior treatment to bank lenders partly because a restructuring of bond obligations is always more difficult than rescheduling bank debt. Where the issues are bearer bonds – as are most Eurobonds – even finding bondholders to secure a rescheduling is difficult.

More significantly, bondholders have been protected by the sheer fact that the bonds they hold represent a tiny proportion of the countries' overall foreign debt.

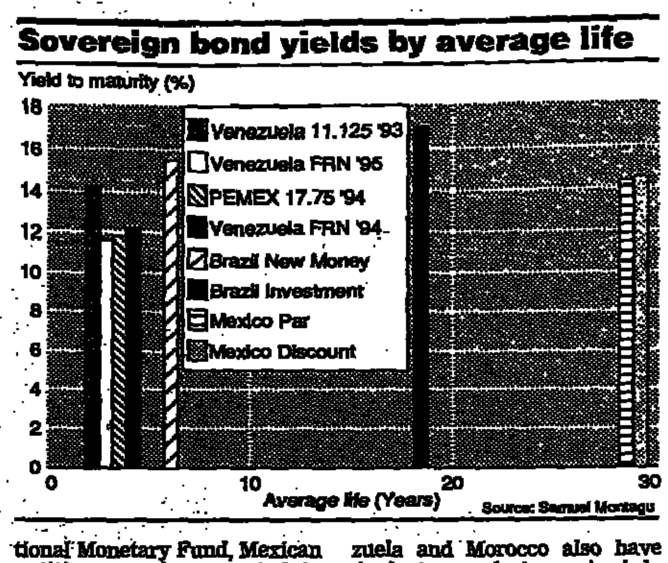
According to Montagu, this good service record and the growing scarcity of issues – bonds are maturing and not being refinanced – has left the secondary market highly illiquid.

The volume of outstanding bonds is expected to decline further in coming years, unless new issues are brought out to replace maturing ones. Mexican borrowers currently have about 30 outstanding issues – but 20 of them mature in the next two years.

In fact, Mexican borrowers have issued a handful of public bond issues over the last few months in both dollars and D-Marks, some of which have in effect refinanced maturing bond issues.

According to the International Monetary Fund, Mexican entities are also reported to have raised about $500m through privately placed bond issues in 1989. Venezuela too has launched about half a dozen international bond issues in the last 12 months.

Sovereign bond yields by average life



For the immediate future though this does not represent an answer to the lack of liquidity facing would-be investors.

For this, there may be another answer in sight – the issue of bonds in exchange for bank loans under financial packages worked out under the Brady initiative. The Brady initiative, named after the US Treasury Secretary Nicholas Brady and designed to reduce the debt burdens of developing countries, has already spawned two deals – for Mexico and Costa Rica – in which banks have swapped their old loans for concessional bonds. Venezuela and Morocco also have deals agreed in principle involving a bonds exchange.

In what was described by bankers as the largest bond issue ever, Mexico issued in March 30-year bonds with face value of more than $33bn in exchange for the banks' old loans. The bonds, issued in eight currencies but primarily in US dollars, are actively traded but they contain some disadvantages for certain types of investor.

In the first place, the bonds are in registered form – a fact which would make any rescheduling easier since a record would be kept of the owners. This would reduce the attraction of the issue for some international investors who prefer bearer bonds.

The bonds are also somewhat difficult to value. They contain, for example, a rolling 18-month guarantee of interest – in case the Mexican Government stops paying interest – to which financial analysts are finding it impossible to assign a value. The bonds' principal repayments are collateralised and they also contain an option which will pay holders more if the oil price rises.

This is likely to lead to two developments. Bankers expect to see the bonds stripped down to their constituent parts and reconstructed to create financial instruments that suit individual investors' needs. Such instruments would not be highly tradeable.

Others believe that the Mexican Government will in time offer bonds – probably simple bearer bonds – in exchange for the Brady bonds. In doing so, it would probably be able to squeeze further concessions from Brady bond holders and free the official resources being used to provide the interest and principal support for the Brady bonds.

This could potentially deliver one objective that has been eluding bankers since the debt crisis broke in 1982 – how to find non-bank buyers for their third world loans.

The ultimate importance of all this depends significantly on the economic performance of debtor countries over the next few years.

However, it is clear that the more bonds a country has outstanding, the less they will carry the special status that has meant that countries have not on the whole defaulted on bonds in the last eight years.

The liquidity which investors seek is, to some extent, in conflict with security they are also looking for.

Off-exchange securities trade 'growing'

By Deborah Hargreaves

OFF-EXCHANGE trading of securities has been the most rapidly growing area of activity in the international capital markets in recent years, according to a review by the International Monetary Fund.

This could be evidence of a migration of financial activity similar to a move in the late 1960s and early 1970s which led to the creation of the Euromarket. At the time, exchange controls and national restrictions on financial activities induced many borrowers and lenders to shift a growing share of their activities to the offshore markets.

Over-the-counter trading in derivatives has been a burgeoning market for the past five years when the number of off-exchange options, swaps and forward contracts traded has dwarfed volume on established exchanges.

New technology makes direct trading between large traders feasible and efficient, the review says. It cites the example of programme trading transactions taking place between large brokers after the 1987 market crash.

These brokers traded with each other to avoid restrictions placed on programme trading by the New York Stock Exchange and only later reported their transactions to the exchange.

IPMA membership move

By Andrew Freeman

THE International Primary Markets Association, the trade association for underwriters of international securities issues, has decided in principle to offer associate membership status to leading banks in capital markets, including Europe's domestic markets.

In addition, IPMA is actively seeking partnerships with other professional associations to promote the securities industry as part of plans to develop its role.

The moves confirmed the statement by Mr Michael von Brentano, IPMA chairman, at the association's general meeting in March when he noted that European Community integration was breaking down borders between national capital markets. He said a specialised trade association was needed to co-ordinate the concerns of primary market participants.

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

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EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section	Thursday May 10 1990 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1990 to date	Wed May 9 Index No.	Tue May 8 Index No.	Fri May 4 Index No.	Year ago (approx) Index No.
1 CAPITAL GOODS (199)	823.00	-0.2	14.13	5.51	8.56	14.32	824.27	828.93	823.68	953.92
2 Building Materials (27)	1011.69	+0.1	15.65	5.87	7.87	16.86	1010.46	1015.98	1009.90	1192.62
3 Contracting, Construction (36)	1291.09	+0.1	18.72	6.36	6.98	31.00	1289.46	1295.77	1283.46	1681.26
4 Electricals (10)	2375.49	+0.9	11.97	5.64	10.27	39.90	2353.14	2358.70	2346.80	2822.55
5 Electronics (29)	1751.88	+0.2	10.37	4.24	12.48	18.56	1747.88	1764.29	1749.48	2183.35
6 Engineering-Aerospace (8)	442.43	+0.1	14.72	5.26	8.11	9.03	442.16	445.61	447.32	0.00
7 Engineering-General (43)	453.09	-0.6	12.56	5.52	9.62	8.17	455.68	457.06	456.26	0.00
8 Metals and Metal Forming (6)	473.63	+0.5	24.84	6.58	4.54	0.53	471.48	470.21	467.35	542.69
9 Motors (16)	327.76	-2.9	16.87	6.87	6.92	9.47	337.60	342.18	338.72	317.19
10 Other Industrial Materials (24)	1492.19	-0.3	11.96	5.34	9.67	31.01	1496.66	1503.38	1491.19	1595.13
21 CONSUMER GROUP (178)	1185.87	+0.4	10.00	4.14	12.40	10.37	1181.53	1187.34	1172.48	1197.31
22 Brewers and Distillers (21)	1397.80	+0.6	10.19	3.94	11.90	12.62	1389.32	1396.19	1383.36	1319.93
25 Food Manufacturing (20)	1028.59	....	10.89	4.58	11.39	14.80	1028.26	1029.31	1019.09	1035.06
26 Food Retailing (16)	2227.14	-0.8	9.79	3.54	13.18	15.05	2245.83	2253.54	2221.94	2163.42
27 Health and Household (14)	2462.00	+0.9	7.02	2.83	16.97	17.14	2439.75	2458.28	2425.78	2214.62
29 Leisure (32)	1332.26	+1.1	10.93	4.47	11.21	11.41	1317.17	1322.88	1309.15	1635.07
31 Packaging & Paper (12)	558.94	+1.0	13.12	6.06	9.74	11.66	553.15	548.50	544.91	574.73
32 Publishing & Printing (16)	3168.42	+0.2	10.58	5.67	11.91	50.81	3161.68	3171.78	3127.59	3539.23
34 Stores (35)	718.85	....	12.19	5.13	10.56	2.12	719.27	725.13	711.97	791.53
35 Textiles (12)	457.63	+0.4	14.65	7.78	8.59	3.77	455.89	458.03	451.37	524.67
40 OTHER GROUPS (105)	1078.29	-0.2	11.78	5.30	10.16	9.12	1080.71	1089.43	1082.24	1081.96
41 Agencies (17)	1537.01	-0.4	6.50	2.56	18.59	12.89	1543.74	1562.39	1559.29	1329.00
42 Chemicals (23)	1171.07	+0.1	12.21	5.63	9.58	25.08	1169.59	1177.08	1177.46	1227.33
43 Conglomerates (14)	1508.74	+0.3	10.67	6.51	11.01	10.73	1503.50	1514.02	1503.59	1581.38
44 Transport (13)	2107.88	+0.2	11.32	4.67	11.25	25.71	2104.60	2116.71	2107.70	2393.37
46 Telephone Networks (2)	1061.40	-0.9	11.96	4.83	10.87	0.00	1071.57	1080.27	1068.11	1120.66
47 Water (10)	1850.14	-0.5	18.84	7.32	5.88	0.00	1859.53	1878.98	1853.73	0.00
48 Miscellaneous (26)	1674.89	-0.3	12.41	5.06	9.20	18.48	1679.49	1695.40	1682.48	1457.85
49 INDUSTRIAL GROUP (482)	1074.34	....	11.58	4.84	10.51	11.59	1073.77	1080.31	1070.45	1123.17
51 Oil & Gas (18)	2172.21	-1.4	12.48	5.55	10.58	36.63	2202.31	2222.10	2212.59	1989.16
59 500 SHARE INDEX (500)	1166.02	-0.1	11.71	4.94	10.52	13.59	1167.77	1175.36	1165.45	1196.92
61 FINANCIAL GROUP (110)	753.04	-0.6	-	6.06	-	18.31	757.60	767.33	760.65	748.78
62 Banks (9)	801.71	-0.5	20.56	6.70	6.37	24.92	805.90	825.15	818.28	748.26
65 Insurance (Life) (7)	1266.24	....	-	5.80	-	36.94	1266.10	1269.09	1254.42	1064.48
66 Insurance (Composite) (7)	626.69	-1.7	-	6.60	-	19.43	637.21	644.22	637.96	594.93
67 Insurance (Brokers) (7)	1066.85	....	8.04	6.10	16.40	27.41	1066.61	1072.43	1055.40	960.29
68 Merchant Banks (7)	411.17	-1.0	-	4.63	-	4.85	415.19	418.35	417.48	332.72
69 Property (48)	1057.93	-0.2	8.36	4.25	15.24	8.07	1060.54	1063.03	1055.23	1323.91
70 Other Financial (25)	295.67	-0.6	15.07	7.55	8.70	4.23	297.34	299.61	297.43	372.94
71 Investment Trusts (67)	1140.71	+0.1	-	3.36	-	9.53	1139.70	1144.18	1139.28	1145.58
91 Overseas Traders (5)	1283.51	+0.4	9.61	7.11	12.75	42.87	1278.16	1294.99	1291.61	1363.86
99 ALL-SHARE INDEX (682)	1066.78	-0.2	-	5.07	-	14.48	1068.97	1076.89	1067.95	1087.94

	Index No	Day's Change	Day's High (a)	Day's Low (b)	May 9	May 8	May 4	May 3	May 2	Year ago
FT-SE 100 SHARE INDEX‡	2157.0	-5.7	2169.2	2157.0	2162.7	2182.0	2162.2	2134.9	2137.6	2110.6

FIXED INTEREST

PRICE INDICES	Thu May 10	Day's change %	Wed May 9	xd adj. today	xd adj. 1990 to date
British Government					
1 Up to 5 years	113.04	+0.04	112.99	-	4.71
2 5-15 years	116.36	+0.32	115.98	-	4.96
3 Over 15 years	120.04	+0.53	119.42	-	4.77
4 Irredeemables	135.59	+0.66	134.69	-	6.12
5 All stocks	117.32	+0.25	117.02	-	4.91
Index-Linked					
6 Up to 5 years	143.73	+0.13	143.54	-	1.49
7 Over 5 years	134.63	-0.04	134.69	-	1.38
8 All stocks	135.20	-0.03	135.24	-	1.38
9 Debentures & Loans	94.58	+0.49	94.12	-	3.30
10 Preference	73.87	+0.05	73.83	-	2.07

AVERAGE GROSS REDEMPTION YIELDS		Thu May 10	Wed May 8	Year ago (approx.)
British Government				
1 Low Coupons	5 years	11.98	12.04	9.69
2	15 years	11.34	11.44	9.26
3	25 years	11.22	11.28	9.07
4 Medium Coupons	5 years	13.09	13.12	10.72
5	15 years	11.89	11.96	9.70
6	25 years	11.40	11.48	9.26
7 High Coupons	5 years	13.20	13.22	10.84
8	15 years	12.21	12.28	9.91
9	25 years	11.70	11.78	9.44
10 Irredeemables†		11.27	11.34	9.07
Index-Linked				
11 Inflation rate 5%	Up to 5yrs.	4.32	4.36	3.56
12 Inflation rate 5%	Over 5 yrs.	4.12	4.12	3.58
13 Inflation rate 10%	Up to 5 yrs.	3.35	3.39	2.66
14 Inflation rate 10%	Over 5 yrs.	3.95	3.94	3.42
15 Debs & Loans	5 years	15.99	16.17	12.27
16	15 years	13.87	13.99	11.56
17	25 years	13.61	13.68	11.11
18 Preference†		12.57	12.58	10.21

‡Opening index 2162.9; 9 am 2166.6; 10 am 2168.7; 11 am 2169.2; Noon 2162.6; 1 pm 2161.3; 2 pm 2162.4; 3 pm 2164.3; 4 pm 2161.7; 4.10 pm 2161.1; (a) 10.57am (b) 4.30pm † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL, price 15p, by post 35p.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	71	8	20
Corporations, Dominion and Foreign Bonds	9	0	15
Industrials	323	304	957
Financial and Properties	122	143	474
Oils	29	28	33
Plantations	0	1	9
Mines	42	27	93
Others	81	54	112
Totals	677	565	1,713

LONDON RECENT ISSUES

EQUITIES

Issue Price	Am't Paid up	Latest Renunc. Date	1990 High	1990 Low	Stock	Closing Price	+ or -	Net Div	Times Cov'd	Gross Yield	P/E Ratio
§125	F.P.	-	128	110	ABI Leisure 10p	113		B4.7	3.3	5.5	7.4
125	F.P.	-	125	125	Amerocear Energy 10p	125					
-	F.P.	-	206	192	Argos 10p	193	-2	15.5	3.0	3.8	9.4
§50	F.P.	-	50	47	Castle Cairn Inv.	47	-1	-	-	-	-
-	F.P.	-	13	11	Do. Warrants	11	-2	-	-	-	-
-	F.P.	-	4¼	¼	Courtwell Group Wrrnts.	¼		-	-	-	-
100	F.P.	-	97	91	Dartmoor Inv. Tst. 10p	92	+1	K9.8	-	14.1	-
‡	F.P.	-	148	119	F & C Germany Inv. Tst.	125	-1	-	-	-	-
-	F.P.	-	64	48	Do. Warrants	52		-	-	-	-
-	F.P.	-	46	31	First Philipne. Inv. Tst.	32		-	-	-	-
-	F.P.	-	22	10	Do. Warrants	14		-	-	-	-
[illegible]											

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

[illegible]

LONDON TRADED OPTIONS

THE derivative markets remained quiet yesterday as traders waited for the release this morning of the latest UK inflation figures. Uncertainty ahead of the final leg of the current US Treasury bond auction also created unease.

In the futures market volumes were low and the FT-SE June index was able to maintain a healthy premium over the stockmarket, in spite of a late decline in the cash index.

The June contract closed at a premium of 33 points over the FT-SE index, which placed it above fair value. Dealers said this was an unusually high premium and reflected the recent presence of a large buyer.

But the futures' lead over the underlying market was not large enough to attract arbitrageurs. In addition, several of the FT-SE stocks had shown large movements yesterday, making the buying of shares and selling of futures a more risky enterprise.

The direction of futures trading appeared to diverge from options, which tended to follow the stockmarket. In the options market, sellers of calls were noted. The largest trade, by S. G. Warburg, involved the sale of 1,000 May 2,200 calls.

Total FT-SE index option turnover was 7,168 lots, with 3,829 calls and 3,339 puts. The busiest series was the May 2,200 call, which traded 1,802 lots.

Among the equity options, turnover increased from the previous session, although it was concentrated in stocks that were actively traded on the underlying market. Dealers said the stock options did not move underlying prices.

Sears was the busiest equity option, trading a total of 2,143 lots, equivalent to 2.1m shares. Dealers noted buying of puts and selling of calls. The total was divided between 1,068 calls and 1,075 puts. The June 80 puts, at 854, was the most active. Sears traded 23m on the stockmarket.

British Telecom followed closely behind, with 2,141 lots changing hands. The May 240 puts, at 600 contracts, were the busiest, while calls traded 540 and puts 1,601.

Option		Calls Jul	Calls Oct	Calls Jan	Puts Jul	Puts Oct	Puts Jan
Allld Lyons (*424)	390	40	55	65	6½	11	16
	420	19	36	47	21	22	27
	460	8	19	27	52	53	57
ASDA (*99)	90	15	17	20	3	5½	6½
	100	8	10	15	7	8½	9½
	110	3½	6	-	14	16	-
Unilever (*637)	600	58½	83½	99¾	6½	12½	15½
	650	25½	50	68	26½	32	35
Ultramar (*334)	330	23	35	47	11	18	22
	360	9	20	32	32	33	38
[illegible]							

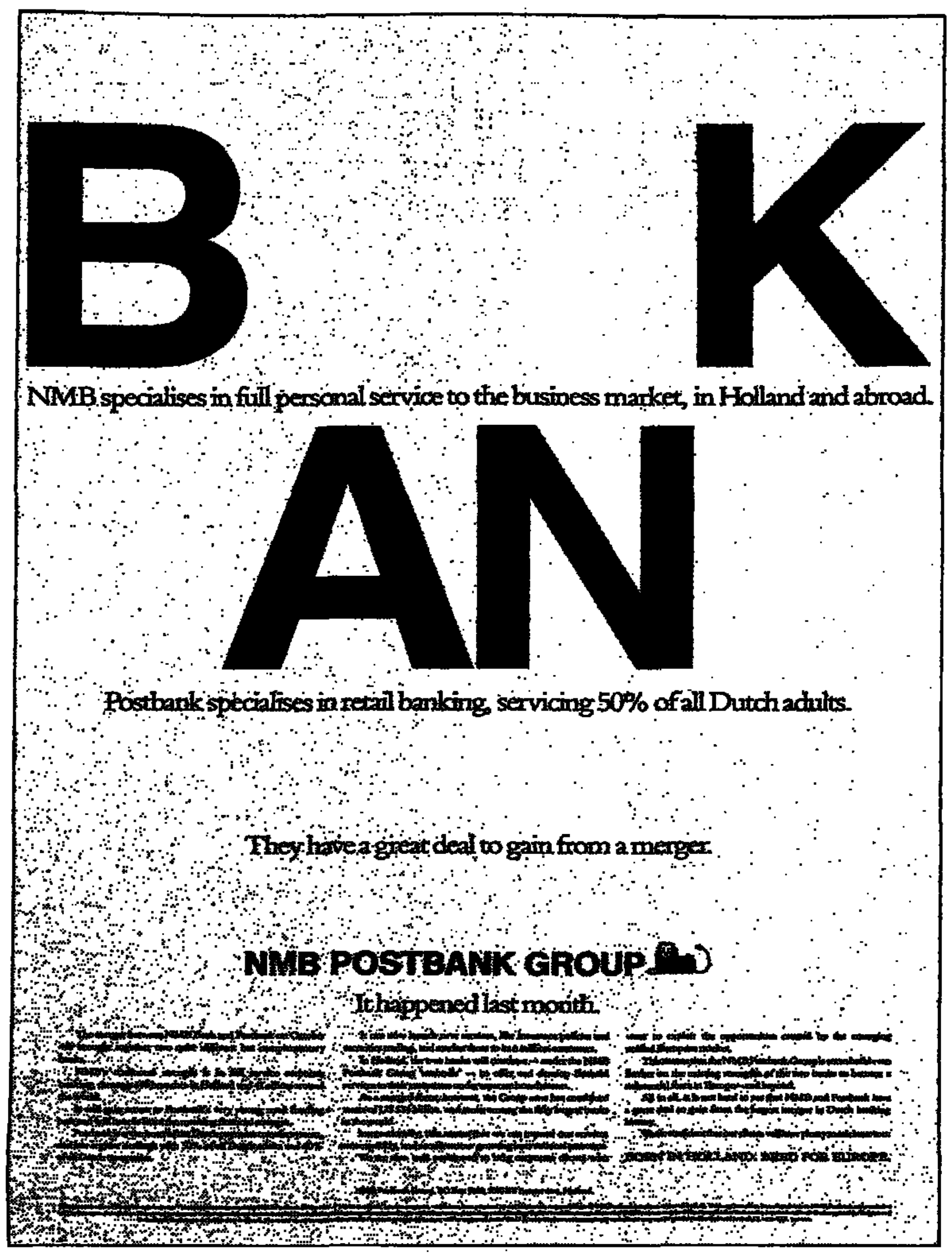
TRADITIONAL OPTIONS

● First Dealings May 8
● Last Dealings May 18
● Last Declarations Aug 2
● For settlement Aug 13

For rate indications see end of London Share Service

Calls in: Audit & General, Chloride, Ivernia West, Rosehaugh, Tuskar Res. and Willoughby's Cons. Puts in: ADT and Brent Walker.

First we told you the facts.



Highlights from our 1989 Annual Report.

NMB Bank and Postbank achieved a further expansion of their activities in 1989.

In the Netherlands, where the Group is the largest institution serving the funds transfer market in terms of both number of accounts and turnover, lending to corporate customers increased by 11.6%. Internationally, NMB Bank maintained its prominent position in the market for asset trading and debt conversion, with a turnover of more than US $ 13 billion in nominal terms. The bank concluded well over 4,000 transactions with parties from 35 countries.

In the current year, the efforts will for a major part be directed at the commercial and organizational implementation of the merger. It is intended to vest the various commercial activities in independent business units. It is felt that this is the best way to structure the Group's various marketing strategies.

Moreover further concentration in the Dutch financial market will offer new opportunities. The board of managing directors is convinced that the synergy effects, stemming from the merger, will favourably affect the bank's results in the long term. For a copy of our Annual Report and Accounts, please write to: The Secretary, NMB Postbank Group, P.O. Box 1800, 1000 BV Amsterdam – the Netherlands.

Now the figures.

1989 Results

1 Dfl. = US $ 0.52 Key figures (in millions of guilders)	1989	1988	% change
Gross profit	1,671	1,529	+ 9.3%
Net profit	658	586	+ 12.3%
Group capital base	7,113	6,498	+ 9.5%
Lending	103,002	93,947	+ 9.6%
Total of entrusted and deposited funds	154,161	140,336	+ 9.9%
Balance sheet total	161,274	146,834	+ 9.8%
(amounts in guilders)			
Net earnings per share of Dfl. 10	6.66	5.84	+ 14 %
Dividend per share of Dfl. 10	2.75	2.20	+ 25 %

The figures have been arrived at by combining the assets and liabilities as well as the operating results of the NMB Group and Postbank NV as if they had formed part of the NMB Postbank Group for the whole of 1989 and 1988.

NMB POSTBANK GROUP

BORN IN HOLLAND. BRED FOR EUROPE.

Footwear retailing down £39m and housebuilding lower at £13.6m

Sears fall worse than expected

By Maggie Urry

A FALL IN profits at Sears, the retail and housebuilding group, from £272.8m to £231.4m pre-tax, was worse than the stock-market had expected and the shares slipped 3p to close at 89p yesterday.

Excluding other income of £43.5m (£25.4m) and exceptional costs of £7.6m (nil) relating to the restructuring of the group's menswear business, profits turned out at £195.5m (£247.4m) a drop of 21 per cent and about £10m below analysts' expectations.

However, Mr Geoffrey Maitland Smith, chairman, said: "It was a satisfactory performance in an extremely challenging retail climate." Trading was currently strong, especially during April, but the economic outlook was unlikely to improve during this financial year, he added.

Sales from continuing businesses during the year to end January were up by 2.6 per cent to £2.1bn.

Mr Maitland Smith said the two main reasons for the fall in profits had been a £39m drop in trading profits from the footwear retailing business and a fall from £31.8m to £13.6m in housebuilding trading profits.

The group no longer breaks down its retail profits because distinctions had become blurred, Mr Maitland Smith said. For example, sales of trainers now accounted for 25 per cent of the UK footwear market but Sears mainly sold these through its sports shops, such as Olympus and a new chain called PRO Performance, rather than through its shoe shops.

The group is restructuring its shoe shops, closing more than 200 outlets. This will involve costs of about £15m but these would be amply covered by profits on selling the closed shops. These will be treated as exceptional items in the current year.

Other areas of high street retailing had a better sales performance than footwear, showing like-for-like gains. Freemans, the home shopping company acquired for £480m two years ago, made a trading profit of £28m (£26.6m), though this was still some £20m below the interest payable on the purchase price.

Altogether, retailing trading profits were down from £185m to £143.6m.

Housebuilding profits fell through a combination of lower sales, down from 1,121 units to 572, and a drop in selling prices of between 15 and 20 per cent. Aside from housebuilding, property profits, including development, rental income and shop disposal profits, rose from £40.9m to £43.2m.

Shortly before the start of the financial year Sears sold its William Hill betting shops for £331m, and the loss of its trading profits of £20.6m in the previous year, had more than been covered by a fall in the interest charge from £36.2m to £10.6m.

Other income included profits on reorganising the group's property portfolio and sales of non-trading investments.

The balance sheet at the year end showed net gearing of 13.5 per cent and assets per share of 90p.

Earnings per share for the year were down 11 per cent to 11.1p, and a final dividend of 3.83p (3.65p) is proposed to give a total of 5.355p (5.1p), a rise of 5 per cent.

See Lex

Geoffrey Maitland Smith: "It was a satisfactory performance in an extremely challenging retail climate"

BP lower in line with market forecasts

By Steven Butler

BRITISH PETROLEUM yesterday reported a £20m decline in replacement costs profit to £361m during the first quarter of the year.

Higher operating profits in oil production and refining and marketing were offset by a steep fall in chemicals earnings and a higher tax charge.

The results were in line with market expectations. "We regard this as a steady result. We're happy with the performance," said Mr David Simon, deputy chairman and chief operating officer.

On an historical cost basis, which includes the effects of stockholding gains and losses and is the basis for official UK reporting, profit before extraordinary items fell from £608m to £344m. This included a £17m stockholding loss – compared with a £277m gain in the first quarter of last year. Earnings per share fell from 10.3p to 6.4p.

A dividend of 3.95p was declared for the quarter, up from 3.65p a year ago and level with the fourth quarter of 1989.

BP benefited from stronger oil prices – Brent crude averaged £11.93 a barrel, up from £10.07.

The £629m operating profit from exploration and production, was boosted by £175m from the sale of assets, mainly to Oyrx Energy. The 1989 figure of £483m included £165m from asset sales.

Total oil production fell from 1.41m b/d to 1.35m b/d due to asset sales and the decline of Alaskan production.

The contribution from oil marketing and refining was sharply higher at £203m (£137m) reflecting better marketing margins.

Chemicals were hit by a cyclical downturn in the market, with profits plunging from £163m to £63m. Mr Simon expressed confidence, however, that the market had hit bottom.

Profits in the nutrition business rose from £7m to £9m, which BP said was below expectation.

Mr Simon hinted that BP's high level of capital spending, at £755m in the first quarter, might be trimmed back in future years.

The company would not reveal the level of provisions taken in connection with restructuring, although Mr Simon said that £40m would not be too far off.

BP used the proceeds of its asset sales to pay about £1bn of debt, bringing its gearing ratio to 39 per cent, the lowest in a year. Interest payments fell to £164m compared to £218m in the fourth quarter, although this was higher than £158m paid a year ago.

Funds generated from operations were boosted £933m by divestments and reached £1.6bn.

H&C pays £113m for builders' merchant

By Andrew Hill

HARRISONS & Crosfield, the diversified plantations group, has strengthened its position among UK builders' merchants through the acquisition of Crossley Builders' Merchants from Bowater Industries for about £113m, including debt.

The purchase is being funded by a £147m one-for-five rights issue at 132p per share. H&C's shares slipped 10p to 150p yesterday, in spite of the group's forecast of a 3.6p interim dividend, against 3.4p last year, and a final dividend for 1990 of 5.4p (5.1p).

However, Bowater's share price rose from 457p to 478p, after the packaging and industrial products group confirmed that the disposal had helped reduce its gearing from about 131 per cent to 77 per cent.

H&C claimed that the acquisition of Crossley's 112 branches gave it the largest chain of builders' merchants in the UK, with 248 outlets trading as Harcros, against Jewson's 220 branches.

However, Meyer International, which owns Jewson, disputed H&C's claims to market leadership and said it owned nearly 300 branches, including timber, and heating and plumbing outlets.

Mr Bill Turcan, H&C's finance director, defended the timing of the acquisition. "[Crossley] is not at the peak of its cycle, but we believe it is likely to go up rather than down. It is also a particularly good fit with our businesses."

H&C is paying £55.3m for Crossley's equity as well as assuming £57.7m of net debt. Last year Crossley recorded operating profits of £12.3m.

The group said it had ruled out a deal financed by borrowings because a high level of gearing would restrict H&C's ability to act on other acquisition opportunities for the food and agricultural division, and the chemicals operation, which will remain the strongest contributor to profits.

Mr David Lyon, Bowater's chief executive, said the group had decided to sell Crossley not because Bowater had lost interest in the builders' merchanting sector but because rival chains were increasingly important customers of its industrial products divisions.

See Lex

United Biscuits

In contrast to some of the gloom and doom pervading many annual meetings, shareholders in United Biscuits were told that pre-tax profits for the first 16 weeks of the current year were well ahead of the same period 12 months earlier.

Mr Bob Clarke, deputy chairman and chief executive, said that only Ross Young's had experienced less buoyant trading conditions, and that the Keebler business in the US had started the year well. The meeting saw the retirement of Sir Hector Laing as UB's chairman.

Wiggins Teape Appleton profits on plateau since 1987

By Maggie Urry

SHAREHOLDERS in BAT Industries, the tobacco and insurance group, will receive one free share in Wiggins Teape Appleton, its pulp and paper business, for every three shares held when the business is demerged on June 1.

Figures published yesterday show that WTA has been on a profits plateau since 1987 and in the first quarter of 1990 suffered a 9 per cent drop in trading profits.

Pre-tax profits on a pro-forma basis would have been £173.5m in 1989. Sales were £1.6bn for trading profits of £200.5m, covering theoretical interest charges of £27m by 7.4 times.

On that basis earnings per share were 21.9p and the group is forecasting a dividend for 1990 of 8.35p. In the listing particulars, current year prospects are described as difficult.

However, Mr Stephen Walls, chairman and chief executive of WTA, said that the group had outperformed other companies in the paper industry in the first quarter of 1990, many of which had seen sharper profit falls.

The demerger is still subject to approval by BAT shareholders at a special meeting on May 31. It is part of BAT's plan to release value to shareholders following last year's bid approach from Sir James Goldsmith's Hoylake, which has now been dropped. Argos, BAT's catalogue retailer, was similarly demerged in April.

Mr Pat Sheehy, BAT chairman, said its two paper businesses, Wiggins Teape and Appleton, had been merged to form WTA, which was the largest UK-owned paper company.

WTA was unusual, Mr Walls said, in having leading or strong market positions in growth sectors such as carbonless copy paper and thermal paper, in Europe and North America, as well as in branded business stationery.

It also owns one of the largest paper merchant networks in Europe. "The ability to control distribution is a very important asset," Mr Walls said.

In addition WTA has pulp interests which protect it, to some extent, from fluctuations in the pulp price, which can be extreme.

Mr Walls said the group had started to meet tougher trading conditions in the second half of last year, and now the situation was beginning to improve. Even so analysts are looking for a small decline in pre-tax profits for the current year.

WTA plans a progressive dividend policy with a dividend cover of between 2 and 2.5 times. However, it will suffer from a high tax charge of about 40 per cent, as it will not be able to offset all the advanced corporation tax on dividends against UK taxes.

● Mr Sheehy said BAT was in tentative talks with a number of possible buyers for Horten, its West German department store group, but did not expect these to be concluded by the end of the half year.

See Lex

Acquisition sorties hit RIT

By Nikki Tait

SIR JAMES Goldsmith's less-than-successful return to the UK acquisition trail has lead to a fall in net asset value at RIT Capital Partners, the investment trust demerged from J Rothschild Holdings two years ago.

The fully-diluted figure at end-March was 131p per share, compared with 134.2p a year earlier and 144.5p at end-September.

RIT, part of the Jacob Rothschild group of companies, was an investor in Hoylake, the shell company which made an unsuccessful bid for BAT Industries; in Sunningdale, which still holds 29.9 per cent of Ranks Hovis McDougall; and in Anglo, the main quoted company which Sir James and Lord Rothschild planned to utilise in their acquisition strategy. Anglo, in turn, also holds stakes in Sunningdale and Hoylake.

RIT said yesterday that the value of its near-25 per cent stake in Anglo – its largest equity investment – had fallen by £19.7m between end-March 1989 and end-March 1990, with a "significant impact" on the fund's net asset value.

However, the trust maintained that the BAT defeat did not alter its stance towards this holding, which would be retained. "Don't think we're folding our tents," commented one member of the Rothschild camp, over the Anglo situation.

Damage on the Hoylake and Sunningdale fronts has been more modest. RIT invested £8.8m in Hoylake, and by the end of the bid its stake was 6.5 per cent. That holding is now carried at £7m after a write-down to market value less expenses.

Hoylake's principal asset is a small stake in BAT; it has sold its shares in the demerged Argos retail business. RIT's £11.8m investment in Sunningdale is now carried at £10.4m after a similar write-down.

More happily, the trust's option over 13.7 per cent of Cavenham Forest Industries, also part of Goldsmith's interests, increased in value from £15m to £17.2m, and the worth of a holding in GPA Group was put at $30.6m at end-March.

The trust, however, has kept a high degree of liquidity recently, and said it remains fairly cautious about equity markets. It is increasing the dividend significantly, to 2.64p per share, reflecting its "substantial holdings of cash and fixed interest investments."

Coal Pensions give more details of Globe offer

By John Thornhill

BRITISH COAL Pension Funds have released their formal offer document for Globe Investment Trust containing further details of a proposed index-tracking investment trust.

The funds are offering Globe's shareholders 191p per share either in cash or in the form of a loan note. But shareholders will also be to switch into an investment trust, which will aim to track the performance of the FT-Actuaries All-Share Index.

For every £1 of their cash consideration, Globe holders will be entitled to subscribe for one investment trust share.

De Zoete & Bevan, broker, has estimated that in the market conditions of May 8 the value of the trust's shares would have been at a discount of 3 per cent to 5 per cent to net asset value.

Mr Barry Soutchcott, managing director of CIN Management, which manages the British Coal Pension Funds, said: "I do not think we could have done more to cover all possible options."

The new trust, called Malvern UK Index Trust, will be run by Edinburgh Fund Managers, a quoted fund manager indirectly controlled by CIN Management. The trust will initially have a life of three years. Its management fees are expected to be about a quarter of one per cent.

The price per Globe share represented a discount of about 3 per cent to net asset value.

Globe continued to urge shareholders to take no action.

Midsummer chief issues writ

By John Thornhill

The bid battle for Midsummer Leisure yesterday took another bitter turn when Mr Adam Page, chairman, issued a libel writ against a former director.

European Leisure's offer for Midsummer, which values the pubs, discos, and snooker clubs group at about 138p per share, closes today.

The libel writ concerned a press release issued on May 7 by Mr Ron Hart in which he criticised Midsummer's strategy and strongly urged shareholders to accept the offer from European Leisure.

Mr Hart said he would contest the writ "with the utmost degree of confidence."

Meanwhile Midsummer has retracted several statements it has made during its defence against the bid at the request of the Takeover Panel.

UK COMPANY NEWS

Pru aims for a leaner style in property

The depressed market has hit one of its major players, **Paul Cheeseright** reports

THE commercial property industry is retreating into its shell as the waves from the depressed market flow over it. And the retreat now involves the most powerful of the UK's property-owning financial institutions.

Prudential Portfolio Managers (PPM), the investment arm of Prudential Corporation, owns more than £5bn of property, or between 7 and 8 per cent of all the property held by the institutions. It had a staff of 380. It will now have one of 260.

At one level the downturn on the property market is hurting the most powerful. The likelihood of less activity has induced the Pru to slim its staff in the same way as the fall in the residential market led it to trim its expensively acquired estate agency chain.

But the move is peculiar to the Pru's property division. Mr Hugh Jenkins, since last autumn chief executive of PPM, acknowledged that as the new man he had been scrutinising all the investment operations. But he does not anticipate any slimming down elsewhere.

Nor does the Pru's move necessarily foreshadow similar moves among other institutions. Industry leaders yesterday knew of no other property-owning institution planning similar cuts. Norwich Union, second to the Pru with the weight of its property holdings at £4.2bn, said it had no plans for staff reductions.

The general thrust of the Pru's property business is not hugely different from other active but smaller institutions. "They are buying less; their increased expenditure is concentrated on improving their existing assets," noted the Investment Property Databank, which monitors institutional property performance.

The cuts then, are special to the Pru and stem from the way it conducts its business. Put simply, it has been in the practice of doing everything itself from rent collecting to development. It established its own research department. This is not normally the case in the property industry where managements tend to be pared down to the minimum and extensive use is made of subcontractors and consultants.

There are two sides to the Pru's approach. One comes from its critics in the industry who see its property section as "a vast lumbering bureaucracy, just like a government department or a local authority." The critics go on to suggest that the Pru has not pulled itself together like some other institutions, adopting the leaner style of a property company.

The other side is the Pru's view of itself. This turns the critics' argument around, contending that because it was more active than others it needed a bigger team. Only now, because the property portfolio has been rationalised – that is, many smaller and difficult-to-manage buildings have been sold – and because the current phase of development is coming to an end, is it obvious that staffing levels are too high.

In recent years the Pru has not been an active buyer of new property investments. It has preferred to use existing landholdings as a basis for new developments. Hence, in the City of London, its office projects at Minster Court and at its traditional home of Holborn Bars.

But the Pru has also used the rise in values on the commercial property market as a chance to sell.

Capital growth during 1988 of about 17 per cent on retail properties and 31 per cent on office properties upset the strategic balance in many institutional investment portfolios.

Hugh Jenkins has scrutinised all investments since becoming PPM chief executive. He does not anticipate cuts elsewhere

But now, not only does the Pru not have the buildings to sell - it has disposed of some 1,500 in the last three years and only last February sold 287 shops to Merivale Moore for £70m - it does not have a market in which to sell them.

Although the Pru intends to remain, as Mr Jenkins put it, "an active property investment manager with a fully integrated property capability," it is unlikely that it or other institutions will soon expand their investment.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
BOC ....int	9.5♠	Aug 1	8.3	-	16.6
BP ....qty	3.95	Aug 7	3.65	-	14.9
Corton Beach § ......fin	0.7†	Aug 1	0.625	0.7	0.625
Fundinvest ....int	10.06	May 31	4.46	-	11.01
King & Shaxson ......fin	7.75	June 15	6.75	10.25	9.25
London Atlantic ......fin	1.87	-	1.6*	2.5	2.175*
Quadrant ....fin	2.35	July 12	2.35	3.85	3.6
Radio Clyde § ....int	3.25‡	July 6	2.75	-	7.5
RIT Capital Ptrs ......fin	2.64	July 2	1.65	2.64	1.65
Sears ....fin	3.83	July 6	3.65	5.355	5.1
Stakis ....int	0.9	Sept 3	0.71	-	2.31
Yorklyde ....fin	5.7	-	6.25	9.7	9

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. ‡Partly to reduce disparity. ♠Second interim

Berisford strengthens board

By Clay Harris, Consumer Industries Editor

BERISFORD International, the diversified sugar group at the centre of takeover speculation, yesterday strengthened its board with the appointment of two senior industrialists, Sir John Egan and Mr Brian Smith, as non-executive directors.

Sir John retires as chairman and chief executive of Jaguar at the end of June and Mr Smith retired as chairman of MB Group, formerly Metal Box, last year.

Berisford also named two new executives to the board, Mr Peter Jackson, managing director of its British Sugar subsidiary, and Mr Peter Butler, finance director of Bristar, holding company for its agribusiness interests.

Mr John Sclater, Berisford's non-executive chairman and chairman of Foreign and Colonial Investment Trust, said yesterday: "It's all part of what you could describe as the normalisation of the modus operandi of this great company."

He said Sir John especially was likely to spend a considerable amount of time at Berisford in the short term.

Ashley Ashwood

Sir John Egan (left), with John Sclater, chairman

Mr Sclater was promoted to chairman on March 9 when Mr Ephraim Margulies resigned under pressure from shareholders.

Berisford has also created an executive committee comprising Mr Philip Aaronberg, group finance director, Mr Barry O'Connell, personnel director, Mr Jackson and Mr Butler, The committee will be chaired by Mr Peter Jacobs, chief executive, when he returns after recent heart bypass surgery.

Mr Howard Zuckerman resigned as a director on Wednesday, but technically remains US chief executive until his golden handshake is negotiated.

Smith & Nephew rises to over £30m

By David Owen

SMITH & NEPHEW, the healthcare and consumer products group, yesterday reported a 5 per cent upturn to £30.7m in pre-tax profits for the 12 weeks ended March 24.

That compared with £29.2m last time. Sales increased by 13 per cent (or 9 per cent excluding currency movements) from £152m to £172.2m.

The company said the results did not include any provision in respect of a claim for damages that had been successfully brought by Polteco of California in a civil action against Smith & Nephew Richards, a US subsidiary.

It said the amount of damages in these proceedings had yet to be awarded.

"The company will strongly contest the decision on liability and any award of damages, and will pursue vigorously an appeal against all aspects of the judgement", it added.

Fully diluted earnings per share were 2.05p (1.91p).

GA

General Accident

THREE MONTHS' RESULTS

The results for the three months ended 31st March 1990, estimated and unaudited, are compared below with those for the similar period in 1989, which are restated at 31st December 1989 rates of exchange; also shown are the actual results for the full year 1989.

It must be emphasised that the results for an interim period do not usually provide a reliable indication of those for the full year.

	3 Months to 31.3.90 Estimate £ millions	3 Months to 31.3.89 Estimate £ millions	1989 Year Actual £ millions
Premium Income			
General Business	782.9	718.6	3,100.2
Long Term Business	102.4	87.8	381.3
	885.3	806.4	3,481.5
Investment Income	105.3	101.6	462.7
NZI Bank Result	(1.8)	(16.1)	(47.6)
Estate Agency Result	(5.5)	(5.6)	(20.5)
Underwriting – General Business Result	(163.3)	(20.7)	(203.8)
Long Term Business Profits	6.8	5.9	26.9
	(58.5)	65.1	217.7
Less Interest on Loans	22.4	10.2	64.5
U.K. Employee Profit Sharing Scheme	–	–	6.2
Profit (Loss) before Taxation	(80.9)	54.9	147.0
Taxation – U.K. and Overseas	(18.1)	16.0	32.1
Profit (Loss) after Taxation	(62.8)	38.9	114.9
Minority Interests and Preference Dividends	(0.8)	(4.5)	(13.7)
	(62.0)	43.4	128.6
Long Term Business Profits – GA Life 1988 Valuation	–	–	9.5
Net Profit (Loss) attributable to Shareholders	(62.0)	43.4	138.1
Earnings per Ordinary Share	(29.1p)	20.6p	65.3p
Principal exchange rates used in translating overseas results			
U.S.A.	$1.65	$1.61	$1.61
Canada	$1.93	$1.87	$1.87

Notes
(1) Investment income excludes £3.1m (1989 £3.2m) representing amortisation of U.S. deep discount bonds which under the U.S.A. accounting conventions would be credited to earnings.
(2) The NZI Bank result includes gains and losses both realised and unrealised on investments held for trading purposes.
(3) The transfer of shareholders' profit from the long term business fund is now stated gross of taxation and on a current year basis.

Analysis by Territory of General Business Premium Income and Underwriting Result

	3 months to 31.3.90 Premium Income £M	3 months to 31.3.90 Underwriting Result £M	3 months to 31.3.89 Premium Income £M	3 months to 31.3.89 Underwriting Result £M
U.K.	270.2	(80.2)	249.5	10.2
U.S.A.	229.8	(29.5)	217.8	(18.4)
EEC other than U.K.	53.7	(15.4)	50.8	(3.4)
Canada	86.7	(4.6)	80.6	(5.6)
Pacific Basin	81.6	(13.8)	74.8	(4.2)
Other Overseas	31.5	(5.3)	23.7	1.6
London Market Business incl. internal reinsurance	29.4	(14.5)	21.4	(0.9)
	782.9	(163.3)	718.6	(20.7)

Net written premiums and investment income increased in sterling terms by 8.9% and 3.6% respectively. Adjusted to exclude the effects of currency fluctuations, the increases were 10.6% and 1.6% respectively.

In the United Kingdom, net written premiums were £270.2m (1989 £249.5m). The was an underwriting loss of £80.2m (1989 £10.2m profit) which was severely impacted by bad weather particularly in January and February. The Homeowners and Commercial Property accounts reported losses of £26.9m (1989 £3.5m profit) and £28.0m (1989 £3.7m profit) respectively. The Motor account suffered from a marked increase in claims frequency to produce a loss of £14.0m (1989 £1.2m profit). Experience in the Liability account remains adverse.

In the United States, net written premiums were $379.2m (1989 $350.7m) and the operating ratio was 112.67% as compared with 108.18% for the same period last year. On the United Kingdom basis, the underwriting loss was £29.5m (1989 £18.4m loss). There was some deterioration across all classes of business other than Personal Property which showed an improvement.

Elsewhere there were aggregate underwriting losses of £53.6m (1989 £12.5m loss). Storm losses impacted adversely on European territories. The Pacific Basin result reflects the cost of major storms in Australia and increased claims frequency in deteriorating market conditions in both Australia and New Zealand.

There was an encouraging increase during the quarter in both annual and single premiums for life business in the United Kingdom. New annual premiums for the three months were £13.7m (1989 £11.1m) and single premiums £8.8m (1989 £5.3m).

General Accident Fire and Life Assurance Corporation plc.
World Headquarters: Pitheavlis, Perth, Scotland PH2 0NH.

UK COMPANY NEWS

Chill winds as General Accident loses £80.9m

By Patrick Cockburn

HEAVY STORM losses in the UK and Europe in January and February produced a worse than expected first quarter pre-tax loss of £80.9m at General Accident Fire and Life Assurance, the Scottish-based composite insurer.

The outcome compared with profits of £54.9m in the same period of last year.

Mr Nelson Robertson, chief general manager, said that bad weather led to a net loss after reinsurance of £90m in the UK and Europe.

Worldwide weather losses exceeded £110m net – equivalent to almost £200m before reinsurance is taken into account.

Underwriting results worldwide deteriorated across the board with losses increasing from £20.7m to £163.3m.

GA had already indicated that it had been seriously affected by weather losses. The biggest surprise in yesterday's results was the small increase of only 1.6 per cent in investment earnings to £105.3m (£101.6m). Mr Robertson said this was explained by the impact on cash flow of heavy payments to meet claims stemming from Hurricane Hugo last year and the 1990 storms.

He added that UK weather losses were worse than originally expected because of the effect on claims of persistently poor weather conditions as well as the major storms in January and February.

As a result of continuing poor conditions on the roads the motor account produced a £14m loss against a profit of £1.2m last time. The loss on the homeowners' account was £26.9m (£3.5m profit) and on commercial property £28m (£3.7m profit).

Mr Robertson said that it was unclear whether household insurance rates would rise. The sector had produced good profits in the past but rates would harden if it became clear that the frequency of catastrophes was increasing. In motor insurance, where GA is a market leader, he expected rates to go up later this year.

The troubled NZI Bank subsidiary showed improved results as a result of staff reductions and other economies, but a severe hailstorm in Australia and other weather incidents produced an underwriting loss of £13.8m (£4.2m) in the Pacific basin.

In the US, where GA makes almost 30 per cent of its premium income, there was some deterioration in the auto account. Mr Robertson said, however, that GA was encouraged by a 6.5 per cent increase in auto rates granted yesterday in New York, GA's largest market in the US.

The loss per share emerged at 29.1p (earnings of 20.6p).

SIR OWEN GREEN, chairman of BTR (right), and Mr John Cahill, managing director, had to fend off repeated attacks at the company's annual meeting yesterday, writes Charles Leadbeater.

Four people were ejected after anti–apartheid campaigners launched a sustained attack on the company's conduct in South Africa and in particular its handling of the dispute at its BTR Sarmcol subsidiary in Howick, Natal.

The meeting, which was tightly policed by smartly dressed security guards, became increasingly acrimonious with many shareholders objecting to a string of critical questions from South African and British trade unionists, local authority pension fund representatives and anti–apartheid campaigners.

The Sarmcol dispute, in which the South African National Union of Metalworkers is pressing for the reinstatement of about 900 workers dismissed in 1985, has become embroiled in the violence between black political groups in Natal.

The anti–apartheid campaigners argued that the dispute over union recognition at the plant was fuelling the wider political violence in which at leat 139 people have died.

Although Sir Owen said it was not the company's policy to intervene in a subsidiary's industrial relations, he ruled out the reinstatement of the workers, who he said had dismissed themselves.

As the first protester to be ejected was taken from the back of the hall he shouted: "There are deaths taking place every day in South Africa because of this company. You will lose everything through nationalisation."

A further three were manhandled from the hall after they attempted to erect a banner at the end of the meeting.

Sir Owen, who was applauded enthusiastically by the scores of older shareholders who quickly voiced their impatience with the protestors, said the dispute was the product of inter–union rivalry and could not be blamed for the political violence in the region.

Clearmark back in black

By John Thornhill

Clearmark Group, the USM-quoted leisure and publishing combine formerly known as Fergabrook, returned to the black in 1989.

It recorded pre-tax profits of £1.31m compared with a loss of £4.22m the year before, and earnings per share amounted to 1.35p as opposed to losses of 10.64p.

Clearmark claimed that the joint venture which it had set up in Lithuania to manufacture plastic footballs remained unaffected by the present political ructions.

The group's net worth increased to £7.2m (£2.1m).

Group sales grew to £23.93m (£19.82m).

Emess annual meeting proxy decision questioned

By Clay Harris, Consumer Industries Editor

A SHAREHOLDER engaged in legal action against Emess, the lighting and electrical accessories group, has asked the Department of Trade and Industry to investigate why his proxy was refused entry to the company's annual meeting last week.

Mr Ronnie Abrahams, chairman of Cascade Electrolite, a family-owned Manchester-based lighting company, wrote to the DTI as trustee of Cascade's pension fund which he said had owned 1,000 shares in Emess since last year.

Emess says the proxy was invalid and that it cannot find any evidence that the Cascade pension fund is a shareholder.

Mr Abrahams is also questioning why Emess's 1989 accounts contained no reference to his company's legal claim for more than £5m against Poole Lighting, an Emess subsidiary.

Mr Michael Meyer, Emess chairman, yesterday angrily dismissed Cascade's suit as "totally and utterly frivolous." Mr Vernon Cobb, company secretary, added: "I personally have been through the register only this morning, and I have not been able to find any trace [of Cascade]."

The dispute, which is due to be heard in the High Court in London in October, centres on rights to a leaf-and-scroll design which is screen-printed on glass light fixtures.

Cascade says it began supplying light fixtures using the design to British Home Stores in 1980. It claims the design was subsequently copied by Poole, an allegation vehemently denied by Emess.

Mr Abrahams said the Cascade pension fund's appointed proxy planned to ask questions about the potential liability at the Emess meeting last Friday. He said the shareholding was registered under a client nominee account with Manchester stockbroker Charlton Seal Schaverien.

Wilton back in the black

The Wilton Group made pre-tax profits of £822,000 in 1989, its first annual profit since 1982 and a direct result of the policies introduced by the management which took board control in 1988, according to Mr Michael Buckley, chairman.

The most significant event during the year was the acquisition of Intercounty Properties, he said. Earnings per share came to 0.16p (loss 0.18p).

Circaprint disappoints

CIRCAPRINT, the printed circuit board manufacturer, yesterday reported a "particularly disappointing" pre-tax loss of £886,000 for the six months to February 28, writes David Owen.

This compared with a profit of £546,000 for the corresponding period.

Turnover slipped by 8 per cent to £6.54m (£7.14m).

The Maidstone-based company also warned that it would not now return to profitability by its year-end as previously anticipated.

After a tax credit of £221,000 (£191,000 charge) the loss per share amounted to 12.6p (6.7p earnings).

This notice is published by way of information only

SGS Société Générale de Surveillance Holding S.A.

NOTICE

To the Holders of Warrants to acquire
Bons de Jouissance, Category A, without par value of

Société Générale de Surveillance Holding S.A.
(the «Company»)

issued by the Company together with US$ 100,000,000 3 per cent. Notes due 1996 issued on a fiduciary basis by Union de Banques Suisses (Luxembourg) S.A. representing beneficial interests in a loan made to SGS Finance (Luxembourg) S.A. guaranteed by the Company.

Notice is hereby given that the Board of Directors of the Company will propose to the Annual General Shareholders Meeting on June 27th, 1990 the terms of an offer for the exchange of new Bearer Shares of the Company with a par value of SF 500 each against delivery of Bons de Jouissance Category A (the «Bons») of the Company on the terms of six (6) Bons for one (1) Bearer Share (the «exchange offer»). The terms of the exchange have been published, inter alia, in this newspaper on May 9th, 1990.

The exchange offer does not affect the rights of the Warrant holders to exercise not later than June 30th, 1991 their option of acquiring one Bon for two Warrants at a price of SF 6950. This right continues during the exchange offer period. Bons acquired as a result of the exercise of Warrants are eligible for exchange until noon June 8th, 1990 in accordance with the conditions of exchange offer. Bons delivered during this time on exercise of the Warrants will not be entitled to the dividends in respect of the year ended December 31st, 1989.

Geneva, May 11th, 1990

Société Générale de Surveillance Holding S.A.

Ex-Lands raising £8.6m to fund French project

By Vanessa Houlder

EX-LANDS, the investment company partly owned by the Saatchi brothers, yesterday announced plans to raise £8.59m by a 1-for-1 rights issue and a placing of shares.

Money will be used to fund a leisure project in Vichy, France, which is being developed with a partly-owned subsidiary of Source-Perrier, Montpensier Developpements, and IMG Developments.

It will also help fund other projects including the planned construction of a hotel near Bristol.

The rights issue will involve 25m new shares at 33p per share. The company is also placing 2.21m new shares at 34p per share with Electra Leisure Investments and Electra Investment Trust.

Windsor expands

Windsor is buying Bliss Weinel and its subsidiary for an initial £546,000 cash and 200,000 ordinary shares.

Further payment can be made up to £3.66m cash and 8.55m inshares. Bliss Weinel is a member of Fimbra and acts as independent financial adviser for the sale of life assurance and pensions.

FIDELITY BALANCED PORTFOLIO
Société d'Investissement à Capital Variable
5, Boulevard de la Foire
R.C. Luxembourg B25918

Notice of Annual General Meeting

NOTICE is hereby given that the Annual General Meeting of the Shareholders of FIDELITY BALANCED PORTFOLIO, a société d'investissement à capital variable organised under the laws of the Grand Duchy of Luxembourg (the "Fund") will be held at the registered office of the Fund, 5, Boulevard de la Foire, Luxembourg, at 11 a.m. on May 31, 1990, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors;
2. Presentation of the Report of the Auditor;
3. Approval of the balance sheet and income statement for the fiscal year ended January 31, 1990;
4. Ratification of the co-option of Charles T. M. Collis as a Director of the Fund in replacement of John M. S. Patton;
5. Election of five (5) Directors, specifically the reelection of the following five (5) present Directors: Messrs. Edward C. Johnson 3d, Charles T. M. Collis, Charles A. Fraser, Jean Hamilius and H. F. van den Hoven;
6. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxembourg;
7. Declaration of dividends on the Fund's Class A and Class B shares in respect of the fiscal year ended January 31, 1990.
8. Consideration of such other business as may properly come before the meeting.

Approval of the above Items of the agenda will require the affirmative vote of a majority of the shares present or represented at the meeting with no minimum number of shares present or represented in order for a quorum to be present. With respect to Item 7, each class will vote separately its approval of the dividend to be paid on shares of that class; the affirmative vote of a majority of the shares of that class present or represented at the meeting will be required in addition to the affirmative vote of a majority of the vote of the combined classes present or represented at the meeting to approve the dividend.

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of either or both Class A and Class B shares which constitute in the aggregate more than three percent (3%) of the outstanding shares of both classes, each share is entitled to one vote. A Shareholder may act at any meeting by proxy.

Dated: April 27, 1990

BY ORDER OF THE BOARD OF DIRECTORS

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U.S.$250,000,000

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(Incorporated in England and Wales)

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Elf Aquitaine U.K. (Holdings) PLC
Knightsbridge House
197 Knightsbridge
London SW7 1RZ

Merrill Lynch International Limited
Ropemaker Place
25 Ropemaker Street
London EC2Y 9LY

Dated: 11th May, 1990

The Royal Bank of Scotland Group plc

$200,000,000
FLOATING RATE NOTES 2005

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the Interest Period from 9th May 1990 to 9th August 1990, the Notes will bear a Rate of Interest of 15⅝% per annum. The amount of interest payable on 9th August 1990 will be £192.98 per £5,000 Note, and £1929.79 per £50,000 Note.

AGENT BANK: CHARTERHOUSE BANK LIMITED
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CHARTERHOUSE

Municipal Finance Authority of British Columbia

CAD 25,000,000 11¾% Bonds due 1993

On April 27, 1990, Bonds for the amount of CAD 2,757,000 have been drawn in the presence of a Notary Public for redemption on June 15, 1990.

The following Bonds will be redeemable coupon due June 15, 1991 and following attached:

2260 to 3125 incl.	3643 to 3659 incl.	3919 to 4050 incl.
3332 to 3360 incl.	3675 to 3734 incl.	4841 to 4924 incl.
3362 to 3370 incl.	3740 to 3759 incl.	5070 to 5087 incl.
3422 to 3426 incl.	3767 to 3783 incl.	5509 to 5602 incl.
3557 to 3567 incl.	3794 to 3840 incl.	10017 to 11285 incl.
3573 to 3632 incl.	3887 to 3889 incl.	

Amount outstanding: CAD 10,282,000

Bonds previously drawn and not yet presented for redemption:
21503 to 21525 incl.

Luxembourg, May 11, 1990

The Fiscal Agent
KREDIETBANK
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UK COMPANY NEWS

7% midway advance for Stakis

By John Thornhill

STAKIS, the Glasgow-based hotels, casinos and healthcare homes group, reported only a 7 per cent improvement in pretax profits in the half year to April 1 as it continued to restructure its portfolio of assets.

Taxable profits advanced from £11.54m to £12.39m on sales of £74.15m (£66.51m).

Stakis is pinning great expectations on a range of hotels, aimed primarily at the business traveller, trading under the Country Court brand name. Two have already been built and a third will open in the second half. The aim is to open 20 in the UK and 10 abroad.

In all, the hotels division lifted operating profits to £8.6m (£7.74m), although this included a £3m profit from a hotel disposal. The 27 hotels generally traded well but the one in Spain met some trading difficulties.

"The rain in Spain falls mainly on our hotel," said Mr Neil Chisman, finance director.

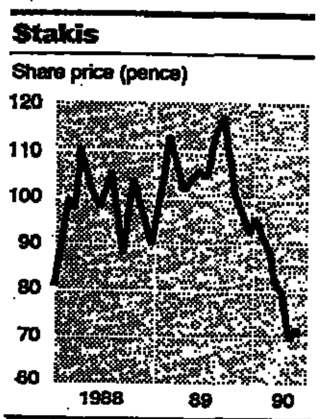
Stakis also claims to be the second largest operator of casinos in the UK. In spite of the problems that have affected other operators, it said its 18 casinos had performed reasonably well. They are based mainly in provincial towns and do not depend on "high-roller" customers that have been notable by their absence in London.

These casinos, combined with Stakis's 25 pubs, nine discos, six restaurants, and two Sanninos pasta and pizza outlets, increased the leisure division's trading profits to £4.99m (£4.3m).

The healthcare side, which encompasses eight Ashbourne homes with 701 beds, continued to expand rapidly. Profits grew to £474,000 (£311,000) although they would have been lower had it not been for a £400,000 gain from the sale and lease-back of a property.

"When we pause to gather breath the bottom line profits will fall through," Mr Chisman said.

Property profits chipped in £2.1m (£1.17m).



Earnings per share rose by 29 per cent to 4.4p (3.4p) after a substantially lower tax charge of £619,000 (£2.65m). The interim dividend is raised to 0.9p (0.71p).

● COMMENT

Stakis has laid out an ambitious plan to upgrade its assets and create a grouping of businesses with strong brand images and profit margins.

This strategy will take another two and a bit years to fulfil but in the meantime the company is keeping its earnings going courtesy of property disposals and an abnormally low tax charge. Given the gloom emanating from the leisure sector, Stakis's flattish profits looked reasonably reassuring and earnings growth should be maintained at a healthy rate for the rest of the year. Pre-tax profits might rise to £30m, including more than a fair dose from property disposals, but the shares may not move strongly ahead while the leisure sector remains under a cloud. Still, on a prospective p/e of less than 7 Stakis may well be worth tucking away in anticipation of the fruits of its development. In the meantime, the shares will certainly be underpinned by the strong yield and good asset backing.

King & Shaxson makes £2m

By David Lascelles, Banking Editor

KING & SHAXSON Holdings, the discount house group, reported a profit for the year ending April 30 of £2m, up 18 per cent from £1.7m, after tax and transfers to inner reserves.

The result includes profits from Smith St Aubyn, the other discount house which forms part of the group.

The final dividend is 7.75p, making a total for the year of 10.25p, against 9.25p last year.

Allied Leisure

Allied Leisure, the ten pin bowling, nightclub and theme bar group, is raising £4.12m through a 1-for-3 rights issue at 100p per share.

The company has made a pre-tax profit forecast of £2.5m for the year to July 16.

MSC minority blocks order and proposes own changes

By Ian Hamilton Fazey, Northern Correspondent

MINORITY shareholders in the Manchester Ship Canal have blocked a Harbour Revision Order by Parliament which was supposed to enable the company to change its constitution and take away Manchester City Council's right to a boardroom majority of one.

A group of London institutions, pension funds and small shareholders led by Mr Nicholas Berry, a former chairman, have formally objected to the order.

There will now be an appeal to a joint committee of both Houses of Parliament, at which they will ask for three changes of their own to the company's constitution.

The move is the latest chapter in a five-year wrangle over control and operation of the company. A bitter takeover battle was won in 1987 by Mr John Whittaker, chairman of Peel Holdings, the quoted property group.

His privately-owned Great Hey Investments is now the majority shareholder in the canal.

Apart from increasingly profitable port operations serving the oil and chemical industries of Wirral, Ellesmere Port and Runcorn, the canal company is rich in developable land.

Notable is a 300-acre site on the edge of Greater Manchester which the Government has already said it favours for a regional shopping and leisure centre.

Mr Whittaker wants a streamlined board so as to operate with greater speed and freedom. Manchester City Council's rights date from 1904 when it bailed out the then stricken company in exchange for a boardroom veto and a £7m debenture.

He has agreed with the council to pay back the £7m and set up a joint property development business which would guarantee the council another £3m within three years – if the councillors reduce their directorships to one.

However, the change can only be made by Parliamentary order because the company has statutory obligations over navigation and drainage.

Mr Whittaker won control by buying up nearly all of the company's 4m preference shares, which carry equal voting rights to the 4m ordinary, but in 1986 cost less than half the 700p he offered for the latter during his bid.

Mr Berry and his supporters have about half of the ordinary shares and have been harrying him ever since.

They have already rejected an offer of £20 per share by Great Hey. One of the changes they want would legally prevent Mr Whittaker from issuing new ordinary shares to preference shareholders.

He has already given an undertaking not to do so. "But we don't trust him and want something enforceable," Mr Berry said yesterday.

He also wants 200,000 ordinary shares owned by the company itself – they came from a defaulting contractor nearly 100 years ago – to be treated as neutral in any vote.

The third constitutional change would make the Harbour Revision Order enforceable only if approved by a 75 per cent majority of shares at a special general meeting.

If the 200,000 company-owned shares could not be voted, Mr Berry says that he and his supporters could block it.

In the ship canal headquarters at Salford Quays, the latest moves are seen as possible bargaining ploys before the Parliamentary committee can meet, probably in the autumn.

Mr Robert Hough, chairman, said: "We should be allowed to get on with running the business and not have to divert large amounts of money and management time into running this appeal."

COMPANY NEWS IN BRIEF

ALEXANDER (WALTER) shareholders have accepted the offer from Spotlaunch in respect of 2.85m shares (99.93 per cent).

ARMOUR TRUST is to renew its general authority to buy-in shares.

BARR & WALLACE Arnold is to make a one-for-one scrip issue to holders registered June 1.

HARRISONS & CROSFIELD, the former plantations group which has been diversifying into the building supplies and chemicals sector in recent months, is further expanding its chemicals interests with the purchase of the Bergmann group. The group takes in Linatex in the Netherlands, Technische Maatschappij Bergmann and Bergmann Industrial in Belgium. The Bergmann group had net assets of £2.8m at the end of last year and earned profits of around £1m.

MTM is making two acquisitions which will extend the service its agrochemical businesses can offer to the major agrochemical companies. It is paying £2.1m cash to buy a major formulations plant from ICI, and £800,000 in shares for Collag Corporation, a privately-owned Southampton-based company.

OCEAN GROUP and Bandag are to co-operate in the disposal by Ocean of all of its interest in the manufacture of retreaded tyres using the Bandag process. At end-1989 the book value of Ocean's net assets in the tyre business was a little more than £4m.

PERICOM holders have accepted the offer from Ferrari in respect of 7.17m shares (95.63 per cent); offer unconditional and remains open.

RENTOKIL is investing £1.7m cash in a series of acquisitions in the US, Australia and Canada.

WESTERN MOTOR shareholders accepted the offer from TKM in respect of 11.8m shares (92.8 per cent). Offer unconditional and remains open.

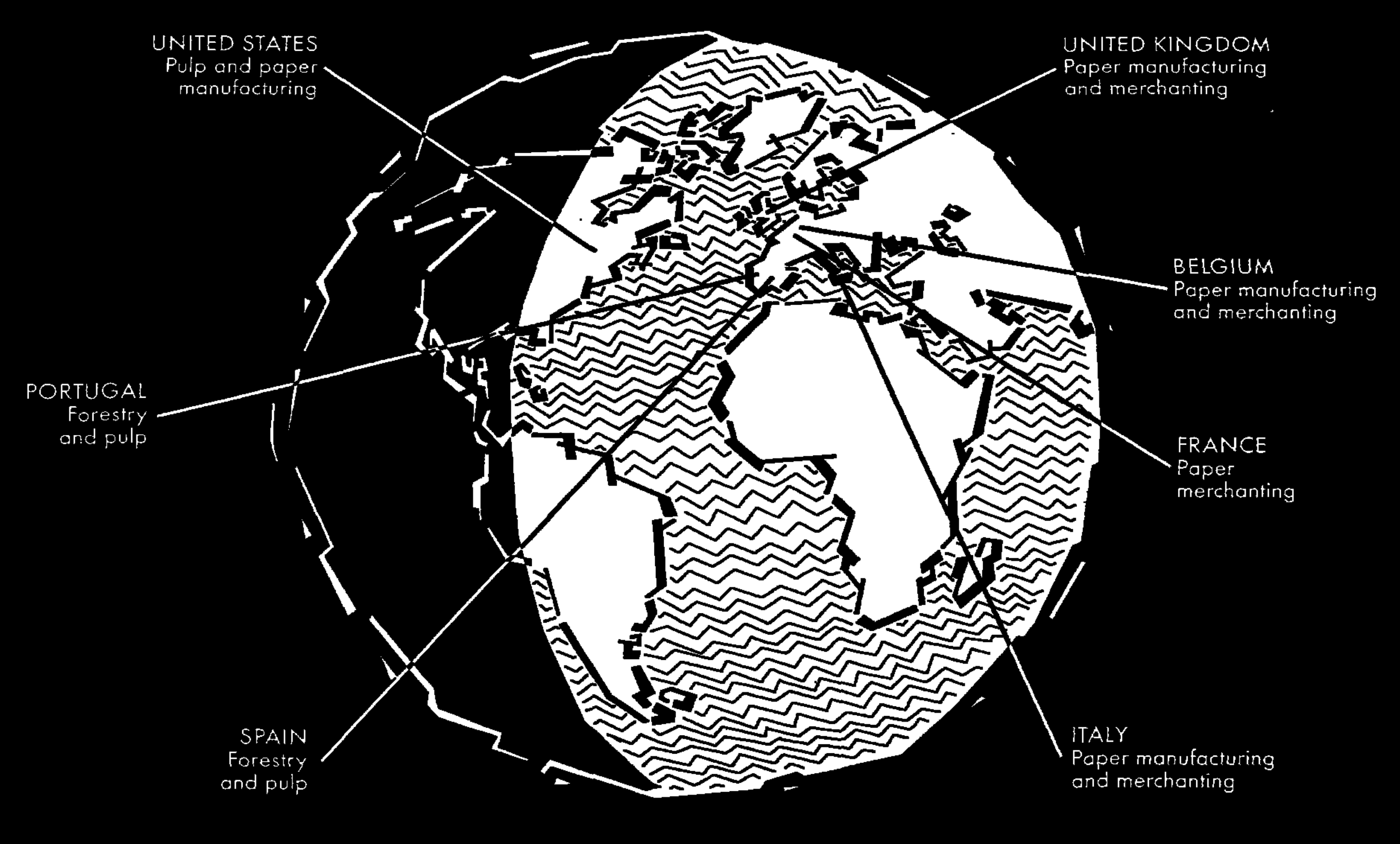
WOLVERHAMPTON & DUDLEY Breweries' bid for Regent Crest has been declared unconditional with approximately 81.99 per cent acceptances. It is not being referred to the Monopolies Commission

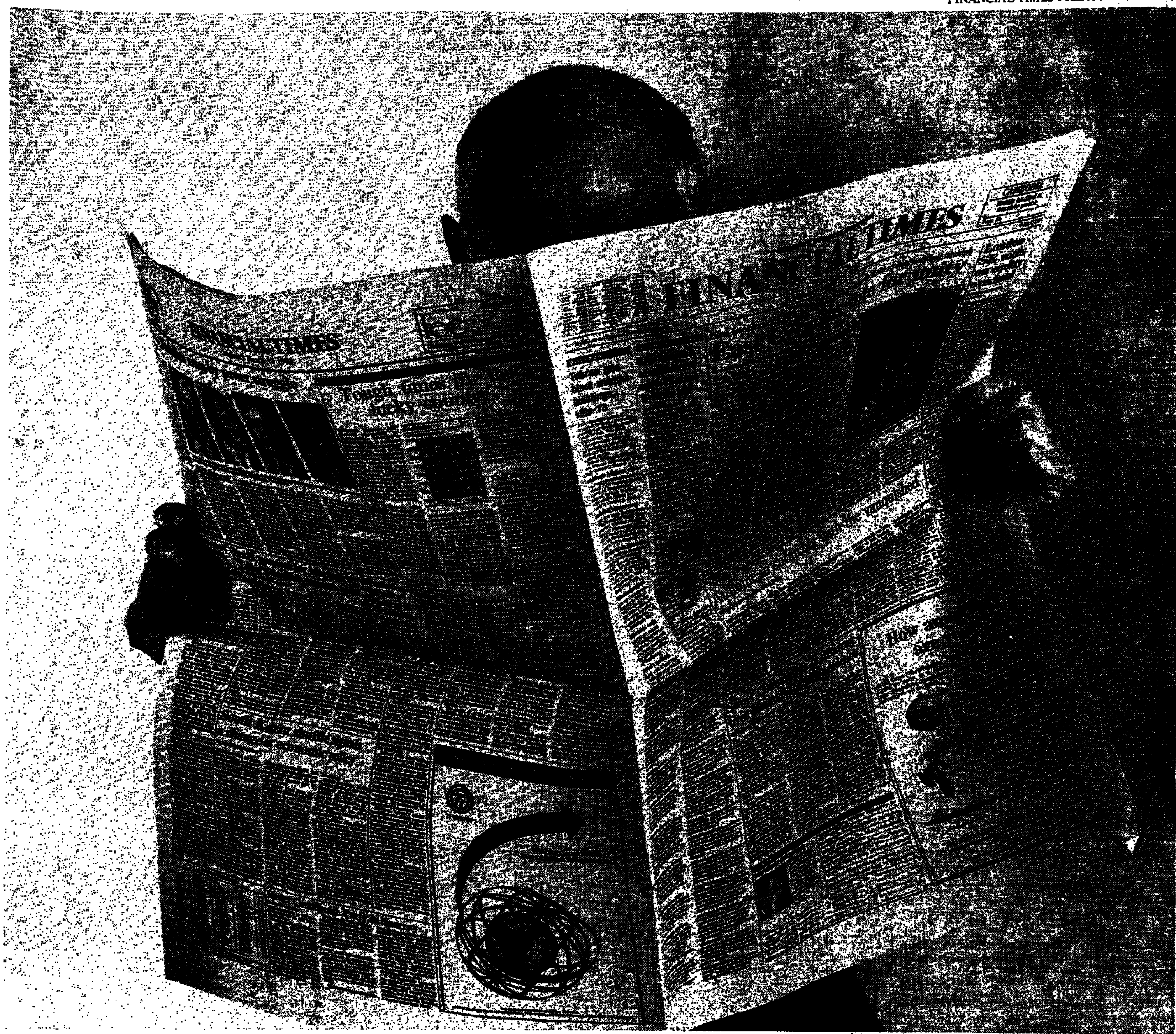
PUBLIC WORKS LOAN BOARD RATES

Effective May 10

Years	Quota loans repaid by EIP†	Quota loans repaid A††	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A††	Non-quota loans A* repaid at maturity§
1	–	–	14¾			15½
Over 1 up to 2	14⅝	14⅝	14¼	15⅝	15⅝	15
Over 2 up to 3	14⅜	14¼	13⅞	15⅜	15¼	14⅝
Over 3 up to 4	14⅛	14	13½	15⅛	15	14¼
Over 4 up to 5	13⅞	13⅞	13⅜	14⅞	14⅞	14⅛
Over 5 up to 6	13¾	13⅝	13¼	14¼	14⅛	13¾
Over 6 up to 7	13⅝	13½	13¼	14⅛	14	13¾
Over 7 up to 8	13½	13⅜	13⅛	14	13⅞	13⅝
Over 8 up to 9	13⅜	13¼	13	13⅞	13¾	13½
Over 9 up to 10	13⅜	13¼	12⅞	13⅞	13¾	13⅜
Over 10 up to 15	13⅛	12⅞	12½	13⅝	13⅜	12⅝
Over 15 up to 25	12½	11⅞	11¾	13	13⅜	12¼
Over 25	11⅞	11⅝	11⅝	12⅜	12⅛	12⅛

*Non-quota loans B are 1 per cent higher in each case than non-quota loans A. †Equal instalments of principal. †† Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.





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UK COMPANY NEWS

BOC improves 12% to £170m

By Andrew Hill

BOC GROUP, the industrial gases and healthcare company, increased profits by 12 per cent in the six months to March 31, making £170.1m before tax, against £151.6m in the equivalent period.

Turnover rose from £1.23bn to £1.42bn and earnings per share from 21.14p to 23.8p. The group, which declares its total annual dividends at the start of each financial year, duly announced a second dividend payment of 9.5p (8.3p).

Gases again made the largest contribution, with operating profits up from £135.2m to £151.3m on turnover of £1.02bn (£840.7m).

Mr Richard Giordano, chairman and chief executive, said the group was experiencing lower volume growth in the US and Europe – 3 or 4 per cent in this half-year – but this was offset by strong volume growth in Japan and Taiwan.

Underlying margins in the gases division had increased, but the actual return on sales was lower because of the disposal of cryogenic plant to a related company, which added to the turnover figure without benefiting the profits line.

Mr Giordano added that the mix of customers for the gases division was gradually changing: "There is increasing demand for gas products from the commercial market, as distinct from the heavy industry market – the products are being used in the speciality chemicals, environmental, electronics and food processing sectors."

The group estimated that no more than 15 per cent of the merchant gas market was now represented by sectors such as metalworking and steel, whereas more than half that business might have gone to heavy industry 10 years ago.

The healthcare division, which BOC is preparing for a possible stock market flotation, increased profits from £40.1m to £44.5m on sales of £276m (£251.6m). Mr Giordano repeated his hope that legal

Richard Giordano

and management restructuring of the division would be completed by next March, although decisions on the timing and detail of flotation would depend on market conditions.

Vacuum technology and distribution services contributed £16.8m (£14.2m) on turnover of £126.5m (£110.6m), held back by a soft first half for the group's coating technology subsidiary. BOC expects that slump in demand to persist in the second half.

● COMMENT

In gloomier times, unexciting corporate results are not necessarily disappointing. Quite the contrary: BOC's shares rose 5p to 512p yesterday as the market expressed its appreciation of the company's defensive virtues, which reflect not only a relatively recession-proof client list, but also a wide geographical spread. Growth in the Far East gases market continues to offset slightly slacker demand in the US and Europe, with the whole division underpinned by longer-term contracts. These figures were also boosted by the return to profit of the Glasrock Home Health Care subsidiary, thanks to stringent cost reduction measures. Pre-tax profits of about £370m in the full year would put the shares on a prospective multiple of just under 10. Analysts are still a little dubious about the rationale of spinning off the healthcare division, but they rate the shares a very strong hold.

Kleen-e-Ze buy boosts direct response marketing position

By Clay Harris, Consumer Industries Editor

KLEEN-E-ZE Holdings is strengthening its position in direct response marketing with the £1.38m acquisition of Fine Art Developments' loss-making operation in the sector.

The deal will leave Kaleidoscope, owned by Next, as the only rival of Kleen-e-ze's NSP subsidiary.

Both companies sell innovative consumer products – "things you don't need but hopefully want," according to Mr Corrie Halliday, Kleen-e-ze's finance director – by direct mail and through inserts in newspaper magazines.

Mr Halliday said yesterday: "We're taking out a competitor and increasing the size of our business without loading it with incremental overhead. This is a once-in-a-decade opportunity."

Venture Marketing, the Fine Arts subsidiary which trades as Venture and Premiere, lost £1m in 1988-89 and is expected to show a £1.5m deficit for the year which ended on March 31.

Of the cash price, £1.5m is attributable to stocks which cost Fine Arts £2.1m, and Kleen-e-ze is assuming certain liabilities. Goodwill, including Venture Marketing's mailing list, has been valued at about £250,000.

Eight of Venture Marketing's 21 employees will be taken on by NSP. Both businesses are based in Richmond, Surrey.

Kleen-e-ze said discussions were continuing on the intended disposals of its manufacturing operations. The company will also ask shareholders to change its borrowing powers from one times net assets to twice balance sheet net worth, a change more in line with current practice, Mr Halliday said.

Yorklyde advances 6% in difficult trading

YORKLYDE, the Huddersfield-based textile company, saw pre-tax profits for the year to January 31 rise 6 per cent from £2.33m to £2.47m. Turnover, including a full year's contribution from Arthur Bell, advanced 29 per cent to £10.93m, against £8.48m.

The directors said the result was satisfactory considering the difficult trading conditions. Profits in the second half fell from £1.11m to £920,000.

Earnings per share were 32.5p (31.9p) and the directors are proposing a final payment of 5.7p (6.25p) for a total dividend for the year of 9.7p (9p).

Standard Chartered cautious about 1990

By David Lascelles, Banking Editor

STANDARD CHARTERED, the London-based international banking group, warned yesterday that a major improvement in profits this year would be "hard won".

Mr Rodney Galpin, the bank's chairman, told the annual general meeting that in common with other banks, a number of Standard's customers in the UK and Australia were experiencing financial difficulties.

Problem country debtors were also suspending interest payments.

Mr Galpin said: "In these circumstances it would be an imprudent banker who expressed anything but caution about the likely outturn for 1990.

"I am confident that the actions I have outlined in our annual report will lead to a sustained improvement in performance.

"In common with other banks, however, 1990 will be difficult, and a major improvement over last year's trading profit will be hard won."

Standard is the third UK bank to issue a cautionary note about the outlook.

Midland Bank said profits were running well below last year's levels and Barclays said that some of its customers were having difficulty, though trading was satisfactory.

Standard had warned earlier this year about worsening conditions.

The bank has an exposure of about £100m to the Bond empire in Australia, and a £1.4bn exposure to the Third World.

Last year Standard made a trading profit of £232m, down from £313m in 1988, mainly because of a sharp increase in bad debt charges.

However Mr Galpin told shareholders that the bank's long-term prospects were improving thanks to action to rebuild the bank's capital, focus on its strengths and improve profits.

Ldn Atlantic net asset value 13% lower

The net asset value of London Atlantic Investment Trust, which specialises in smaller companies, stood at 81.6p per share at March 31 1990.

That represents a fall of 13 per cent over the year to that date.

Net revenue edged ahead from £1.02m to £1.17m, with earnings per share rising to 2.57p (2.23p).

The directors are proposing a final dividend of 1.87p per share, which lifts the year's total to 2.5p compared with 2.175p.

Correction

First Interstate Bank of California

First Interstate Bank of California which was reported in Wednesday's Financial Times as having loaned money to joint venture developments undertaken by Rush & Tompkins no longer has any loan exposure to the group or any joint venture companies.

NEWS DIGEST

Lasmo sells North Sea assets

LASMO, the independent oil company, has sold a package of North Sea assets to Seafield Resources for £16.5m.

Seafield is a small, privately held oil company. Mr John Raitt, its managing director, held that position with Tricentrol when it was taken over by Atlantic Richfield.

The assets include interests in 19 exploration blocks plus Lasmo's 5.5 per cent stake in the Audrey gas field in the southern North Sea.

Lasmo said the sale marked the end of a disposal programme aimed at tidying up its portfolio of North Sea assets, where it has been expanding recently.

Seafield said the acquisition would provide it with cash flow and tax shelter for its exploration programme. It would seek a quotation in London following the purchase.

P&P pays up to £4.5m for Perrin

P&P, the micro computer service company, has bought Perrin Systems, a Hewlett Packard specialist, for a maximum £4.5m.

Perrin Systems specialises in the sale of Unix-based Hewlett Packard workstations and computer systems, together with consultancy and support services.

The initial consideration will be £3.15m in shares, most of which are being placed at 215p apiece. A deferred consideration of £1m may be paid dependent on a gross profit of at least £1.49m for the year after the acquisition.

P&P said that the deal would give it a foothold in the expanding Unix marketplace.

Bioplan has 49.7% rights acceptances

Just under half of the shares offered by Bioplan Holdings, a health care group, in a £14.8m rights issue have been taken up.

The issue was launched at the same time that Bioplan reversed into Cooks Industries and moved onto the USM.

Valid acceptances were received in respect of 38.75m shares, some 49.7 per cent of the issue.

Radio Clyde 18% ahead to £1.2m

Radio Clyde increased turnover by 14 per cent and pre-tax profit by 18 per cent in the six months ended March 31 1990.

Turnover of this USM-quoted independent radio station serving Glasgow and west central Scotland came to £4.68m (£4.09m), while profit reached £1.2m (£1.02m).

Included was the group's share of the profits of North of Scotland Radio, which operates in Aberdeen, from December 16 1988, the date of acquisition. Had its results been taken in for the full six months, turnover would have been 7 per cent higher and profit 11 per cent up.

Advertising revenue for the full period increased by 9 per cent at both companies.

Earnings for the half year were 12.2p (10.8p). The interim dividend is stepped up from 2.75p to 3.25p, partly to reduce disparity.

German Smaller assets advance

At March 31 net asset value per 50p share of the German Smaller Companies Investment Trust totalled 251.1p on a basis diluted for the exercise of warrants, an improvement of 100.6p over the previous year's figure. On an undiluted basis net assets rose by 120p to 280p.

Revenue after tax for the 12 months rose from £192,615 to £225,505. Earnings emerged at 1.67p (1.53p) but the dividend is being cut from 1.5p to 1.2p.

Net asset value at Fundinvest dips 10%

The net asset value of Fundinvest fell to 710.6p per capital share at March 31 1990. The figure showed a decline of 10 per cent on the 787.6p reported at the same stage of the previous year.

The investment trust announced net revenue of £1.15m (£527,000) for the six months to end-March. The interim dividend is raised from 4.46p to 10.06p per income share.

Corton Beach 62% higher at £5m

Corton Beach, the acquisitive motor, food and leisure group, reported taxable profits for the year to end-January 62 per cent ahead at £5.08m, against £3.13m.

There were a number of purchases during the year including Lyon & Lyon, the Batley-based motor dealer.

Mr Mike Keen, chairman of this USM-quoted company, said he was confident that progress could continue to be made in all three divisions. However he added that because of the low rating of the shares and the high cost of borrowing it was planned to focus the group on businesses offering the greatest return on sales and capital employed.

Turnover increased 30 per cent to £138.89m (£107.18m). After tax of £826,000 (£440,000) earnings per 10p share were 10.08p (8.01p). A single final dividend of 0.7p (0.625p) is proposed.

There was an extraordinary charge of £426,000, net of tax, covering the loss on the sale the leisure arcades business and the share of an associate's extraordinaries.

CRH looking for further progress

Mr Des Traynor, chairman of CRH, told the annual meeting he could predict another good year of progress.

This Dublin-based group makes and supplies a wide range of materials for the construction industry. While construction in the UK, which accounted for just 20 per cent of 1989 trading profits, was having difficulties, a good start had been made in other markets, he said.

There was an increase in Irish Cement's sales in the Republic in the opening four months, while in Britain and Northern Ireland manufacturing operations performed reasonably well.

In the US the trend was mixed.

Perkins Foods seeks full share listing

Perkins Foods, the USM-quoted food processing and distribution group, has applied for its shares to be admitted to the Official List through an introduction.

Dealings are expected to start on May 17.

COMMODITIES AND AGRICULTURE

US to write off farmers' debts worth $10bn

By Nancy Dunne in Washington

THE US Agriculture Department this year will begin to write off an unprecedented $10bn in losses on heavily subsidised loans made through its Farmers Home Administration.

Mr Clayton Yeutter, the US Agriculture Secretary, who announced the write-off, complained of the "magnitude of the subsidies going out on programmes like this" and questioned the merit of the loans.

""Our typical Farmers Home loan for farm operating and farm ownership is in the 6 per cent range, compared to close to double that in the private sector," he said. "Do we really need to have that kind of advantage for Farmers Home borrowers."

With strong Congressional backing, the FHA, the "lender of last resort" for farmers who cannot get credit elsewhere, is still extending rural housing loans at as low as 1 per cent interest. Mr Yeutter questioned the use of US taxpayers money for the programme in view of the present budget problem.

Many of the bad loans were made in the 1970s on the basis of inflated land values. When land prices collapsed during the farm recession early in the 1980s, many commercial banks foreclosed and thousands of farmers lost their land. In the FHA, however, foreclosures were stalled by legal suits and injunctions prohibiting the agency from liquidating.

Congress responded to the uproar of the farm lobby with the Agriculture Credit Act of 1977, which required the agency to write down loans to the new value of the collateral; forbade liquidation if it was more expensive than allowing farmers to buy back their land at current prices; and permitted farmers to lease or rent the land they had owned.

As a result, comparatively few farmers have been moved off their land by the FHA, and the agency has had to pick up the $10bn tab.

In 1989 the FHA foreclosed on only 49 farmers. The pace picked up this year but still only 108 out of 220,000 debtors lost their land in the first six months of the 1989-90 (October-September) fiscal year.

Meanwhile, generous crop support and drought relief payments have helped US farmers to cut costs and borrow less. The $200bn in farm credit outstanding in 1982-83 has melted down to $136bn.

Zinc market tightness expected to ease soon

By David Blackwell

THE TIGHTNESS of supplies in the zinc market is expected to peak in the current quarter, and then to ease gradually for the rest of the year as supplies build up, according to W.I. Carr, the London broker.

In a special report on the metal Carr has revised upwards its forecast for the average price this year to 65 cents a lb from an earlier forecast of 61 cents a lb.

On Wednesday the LME three-month price broke through the $1,700-a-tonne level, equivalent to 79 cents a lb. Yesterday this week's rise continued; three-month metal closed at $1,744 a tonne, up $28.50 on the day.

Carr points out that the tight fundamental supply/demand balance of the past few years has coincided with a period of little increase in total refining and smelting capacity. Any supply disruptions resulting from industrial unrest in Peru and possibly in the US will continue to drive market sentiment. It estimates output this year at 5.28m tonnes, compared with 5.15m tonnes last year.

Last year declines in the key automotive and construction markets in the US were largely responsible for weaker prices. But demand is expected to rebound this year, reflecting strong performances by the European automotive and construction industries, together with firm demand in the Far East and a more encouraging outlook for the US. Carr puts demand at 5.34m tonnes, compared with last year's 5.26m tonnes.

Stocks remain extremely low, the report points out. It estimates a deficit of 106,000 tonnes by the end of the year – making three successive years of demand exceeding output. The shortfall can only be met from already depleted stocks.

The latest Metals Economics Group Strategic Report says that many zinc producers are calling for an average annual demand of 5.8m tonnes in the 1990s, based on the capacities of galvanised steel producers. "However, a cautionary note is needed here: an overall downturn in the economy would take a good bite out of galvanised steel's two major markets, automobiles and construction."

Banking on 'organic' farming

By David Richardson

ORGANIC FARMING, it seems, has achieved respectability. A few years ago no serious farmer or financial adviser could be seen to take the concept seriously. The "muck and mystery" brigade were regarded as cranks and their ideas as having no practical significance.

The "green" tide, however, is now washing over even the most traditional of institutions, as is best illustrated, perhaps, by a recent handbook entitled "Organic Farming"*

The publication has been sponsored by Barclays, the bank which has advertised itself for generations as the farmers' bank – the implication being that it was the finance house for conventional farmers, not starry-eyed idealists. Moreover, Organic Farming carries a foreword by Sir Simon Gourlay, president of the organisation of conventional farmers – the National Farmers' Union.

In deference to the majority of his farming customers, no doubt, the head of Barclays agricultural department, Mr Paul Ingram, concedes that there are "still differences of opinion about the need for organic systems of farming." But he goes on to point out that there are "real premiums paid for organic produce and that some producers are profiting by supplying what the market needs."

Sir Simon is similarly reserved on whether farmers should convert to organic and wonders how large this niche market will become. However, he goes on a market share of only 10 per cent of UK food would be worth well over £2bn at the farm gate – "not something to be sneezed at."

The handbook itself, which is much more evangelical than the forewords of its sponsors, consists of a series of articles detailing the standards required by UKROF's, the regulatory body for organic foods, together with advice on marketing and methods of growing. It also gives a number of case histories of farmers who have converted.

There is a mention of comparative gross margins which suggests that organic wheat sold at an unspecified premium produces a better return than a conventionally-grown crop sold at market price. The cost of the extra labour required to deal with weeds is not detailed, however, nor is the loss of income during the two-year conversion period during which yields and quality inevitably fall to uneconomic levels.

It is not clear if Barclays' sponsorship extends to covering any such losses.

Organic Farming. £2.50, from the British Organic Farmers and Growers Association

Indonesia's coal industry ready for the big time

Gerard McCloskey on developments that are giving other suppliers pause for thought

THE INDONESIAN coal industry, for so long the nearly-man among world coal exporters, appears to be on the brink of breaking into the big time. And such are the developments about to bear fruit on the Indonesian coalfields that the country will not only be able to compete effectively with such major suppliers as the US and Australia but also with South Africa, the traditional supplier of bargain-basement coal.

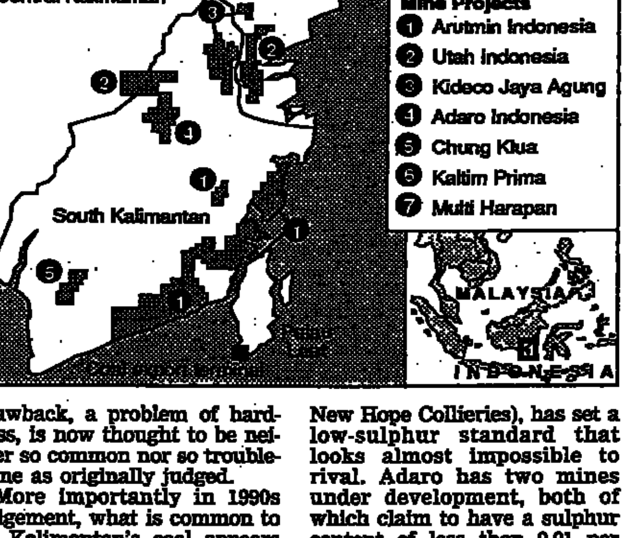
For years it has been known that the Indonesian part of Kalimantan (an island shared with Malaysia and Brunei) was rich in cheaply-mineable coal deposits. But until recently it had appeared that – with one remarkable exception – while blessed with high tonnages it was less well endowed with regard to quality.

To make matters worse, the island appeared doomed to serve only local customers, being restricted to loading only small vessels rather than the capesize ships of over 100,000 tonnes needed to supply the lucrative markets in Japan, South Korea and Europe.

Suddenly this picture has changed. Three major export projects are either in the early production stage or advanced development, while two export terminals capable of loading capesize ships are planned. Latest projections are that by 1994 Kalimantan will be able to export 20m tonnes in capesize vessels rising to a potential 38m tonnes by the year 2000. This represents a third of the current international steam coal market. Recently, too, the first panamax (60,000-90,000 tonnes) vessel was loaded from the island.

At the same time that the mines have been under construction, the coal qualities have been reassessed and what was deemed to be a major drawback, a problem of hardness, is now thought to be neither so common nor so troublesome as originally judged.

More importantly in 1990s judgement, what is common to all Kalimantan's coal appears to be its low sulphur content. A low sulphur coal traded internationally is normally classed as one of 1 per cent or below (which compares with British Coal's average of 1.6 per cent). Two of Kalimantan's major projects – Arutmin (wholly-owned by Australia's BHP-Utah) and Kaltim Prima (BP Coal and CRA) – boast extremely low 0.5 per cent sulphur levels. And the third project, Adaro (50 per cent owned by a subsidiary of Australia's New Hope Collieries), has set a low-sulphur standard that looks almost impossible to rival. Adaro has two mines under development, both of which claim to have a sulphur content of less than 0.01 per cent. They are scheduled to produce a combined 5m tonnes a year by 1994 from seam thicknesses of 30 metres. A further mine is planned for the deposit which will be based on seam of 70 metres thickness.



It is largely co-incidence that is bringing Adaro to the fore at the same time as Kaltim Prima is working up to first commercial production. There 600,000 tonnes is to be exported this year with a steady build up to 7m tonnes by 1997.

Where Kaltim Prima scores over the other Kalimantan deposits – and for that matter over pretty well all other world-traded coal – is in the combination of low sulphur, moisture and ash and very high heat value. Measured at 6,750 kilocalories a kilogram, it compares with British Coal's sales to National Power and PowerGen of averaging 5,900 kilocalories a kilogram.

But it is the development of two major export terminals that is transforming Kalimantan from a local to a world supplier.

Kaltim Prima, BP's last investment in coal before it decided to pull out of the sector in 1989, has always been designed for a dedicated terminal to load 180,000 tonne vessels. However, the most recent development on Kalimantan has been a proposal to build a common user capesize terminal some 500 km to the south of Kaltim Prima.

This terminal on the island of Pulau Laut, lying adjacent to Kalimantan, is designed to take coal by barge from local projects including, notably, Adaro which shares some ownership with that of the terminal. Adaro's owners have said that all their mines' 5m-tonne output will pass through the planned terminal.

Whether any of Kalimantan's other export projects – there are nine of varying sizes but most of them very large – will also use the terminal remains to be seen. The closest are the highly successful Arutmin mines run by BHP-Utah, a company reknowned for its dislike of joint venture projects. But even without Arutmin's participation, Pulau Laut may not need other coal projects to prosper.

It will be Indonesia's only common user capesize terminal, and as such is already attracting interest as a mover of commodities other than coal.

But whatever the final mix of commodities passing through Pulau Laut, it is its development alongside that of Kaltim Prima which will shake many of the preconceptions of coal exporters. Many had felt that the 1990s would be slugged out between the existing suppliers – Colombia, the US, Poland, Australia and South Africa, with the odd contribution from Venezuela and China.

What will prove so startling for many will be the fact that not only can Indonesia produce and export very high quality coal in large volumes, but that it lies on the doorstep of the biggest growth markets expected for the 1990s. Most significantly, its sailing distances of just 3,200 km, 1,700 km and 2,600 km from Japan, Taiwan and South Korea respectively – are much shorter than distances from Australia and a third of those from South Africa's export terminal of Richards Bay.

Australian Wool Council seeks 25% levy rise

By Kevin Brown in Sydney

THE WOOL Council of Australia yesterday called for its levy on producers to be raised from 8 per cent to 25 per cent, rather than the 20 per cent believed to be favoured by the Government.

Mr Chip Sawers, president of the council, said the Cabinet appeared reluctant to accept the wool producers' willingness to pay a 25 per cent levy to finance Australia's growing stockpile of unsold wool.

More than 2.4m bales of wool are currently in store after being bought-in under the industry's buffer stock scheme. The stockpile is expected to increase because of low prices and continued overproduction.

Mr Sawers said the Cabinet's decision to opt for a 20 per cent levy would reduce the flexibility the wool council required to pilot the industry through a difficult period.

"I find it hypocritical that this Government, having provided the wool industry with the powers and responsibility to manage its own affairs, can now see fit to place constraints on the options available to growers," he said.

"If this legislative amendment is carried and 20 per cent becomes the maximum wool levy, the Government will have effectively taken the industry's preferred position out of play, and significantly reduced the industry's options.

In a separate development, the Government said it had raised the issue of non-payment for wool exports by the Soviet trading organisation Novoexport at the highest level in the Soviet Union. Mr Neal Blewett, the Trade Minister, appealed for calm over a A$100m debt which Novoexport has asked Australian wool exporters to reschedule.

Mr Blewett said the Soviet Union was a reliable trading partner which had made the rescheduling request in order to reorganise its foreign debt.

Danish farmers threatened with fertiliser curbs

By Hilary Barnes in Copenhagen

MRS LONE Dybkjaer, the Environment Minister, has warned Denmark's farmers that they face quota arrangements and taxes on fertilisers if they do not bring down emissions of nitrogenous wastes draining into waterways.

According to a 1986 water environmental programme, designed to reduce the amount of household, industrial and agricultural wastes draining into coastal waters, farmers were supposed to halve nitrogenous waste drainage by 1992, with a cut of about a third in fertiliser use supposed to make a significant contribution.

According to the Minister, the evidence so far is that drainage from agriculture has not fallen, and neither has fertiliser use, while it is expected that the planned industrial and household sector reductions in waste emissions will be achieved.

Farmers' organisations claim that drainage of nitrogenous wastes is being reduced, and they explain continued high consumption of fertilisers partly as the effects of another aspect of the water environment plan. Two-thirds of arable land must be sown in the autumn to keep fields green through the winter into order to prevent winter rains draining wastes into waterways, but, say the farmers, winter sowing requires more fertiliser use, without, however, involving an increase in the seepage of nitrogen wastes.

LME approves US delivery locations

By Richard Mooney

THE LONDON Metal Exchange management board has approved three delivery locations in what an official described last night as "part of the LME's ongoing internationalisation."

Mr Martin Abbott, director of marketing, said the move would enable the market to function better in times of tightness or surplus and make trading on the LME easier for US operators. It would also improve the LME's reflection of world prices by reducing the influence of local European conditions on its quotations.

The approved locations are: Baltimore and Bridgeport/New Haven (for aluminium, zinc, nickel and tin) and Chicago/Toledo (for aluminium and zinc). The arrangement will become effective three months after applicant warehouses in the areas have been approved.

The LME already has delivery points outside Europe in Singapore, since 1988, and Japan, since July last year.

WORLD COMMODITIES PRICES

MARKET REPORT

COPPER prices continued this week's advance, although closing below the day's highs. Cash metal added £20 a tonne to close at £1,747.50 a tonne. The market is expected to remain volatile and high premiums for cash metal will continue after the recent build-up of options related covering operations that now seem to be moving into June, traders said. On Comex prices were up, but off their highs, by midsession. Tight supplies of deliverable copper, plus labour issues at a variety of US and overseas copper facilities, continued to provide strong underlying support. London cocoa prices were up sharply, July closing at £860 a tonne – only £12 down on last Friday's close. The recovery appears to be technically based – as was the £49 retreat on Tuesday – as traders yet again reported a lack of new fundamental factors. Gold ended little changed in London. Active buying followed a weaker dollar, but this was outweighed by heavy selling that blocked any movement on the upside, traders said. "This is disappointing given the level of the dollar," a dealer said. Traders were divided over whether or not the selling originated in the Soviet Union.

Compiled from Reuters

London Markets

SPOT MARKETS		
Crude oil (per barrel FOB)		+ or -
Dubai	$14.97-5.02x	+0.70
Brent Blend	$17.35-7.40x	+0.25
W.T.I. (1 pm est)	$18.12-9.14x	+0.43
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$228-230	+3
Gas Oil	$155-159	+2
Heavy Fuel Oil	$77-78	
Naphtha	$150-152	+1
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$371.50	+0.75
Silver (per troy oz)♣	510c	+9.00
Platinum (per troy oz)	$478.75	+2.50
Palladium (per troy oz)	$118.25	+1.00
Aluminium (free market)	$1530	+20.0
Copper (US Producer)	128.0c	+2.50
Lead (US Producer)	45c	
Nickel (free market)	420c	+10.0
Tin (Kuala Lumpur market)	17.08r	+0.03
Tin (New York)	299.5c	+1.00
Zinc (US Primo Western)	87.25c	
Cattle (live weight)†	113.88p	+3.07*
Sheep (dead weight)†	198.52p	-0.99*
Pigs (live weight)†	97.33p	-0.22*
London daily sugar (raw)	$353.6r	-6.80
London daily sugar (white)	$449.0z	-7.20
Tate and Lyle export price	£326.0	-3.50
Barley (English feed)	£121.0u	
Maize (US No. 3 yellow)	£142.0	
Wheat (US Dark Northern)	£123.5	
Rubber (Jun)♥	58.50p	-0.50
Rubber (Jul)♥	57.00p	-0.50
Rubber (KL RSS No 1 May)	230.5m	+0.50
Coconut oil (Philippines)§	$380.0t	
Palm Oil (Malaysian)§	$300.0v	
Copra (Philippines)§	$235	
Soyabeans (US)	£173.0v	+3.50
Cotton "A" index	85.35c	+0.20
Wooltops (64s Super)	547p	-10.0

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. x-Jun. t-May/Jun. u-Oct/Dec. v-May/Aug. w-Apr/May. z-Jun/Jul y-May. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg.

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low
Aug	330.40	330.80	331.20 326.40
Oct	327.00	327.80	329.60 324.40
Dec	328.00	330.00	320.00 320.00
Mar	311.00	312.00	313.00 308.60
May	308.00	311.00	311.80 310.60
White	**Close**	**Previous**	**High/Low**
Aug	442.0	446.0	445.0 436.5
Oct	402.5	407.0	407.0 399.5
Dec	395.5	399.0	398.5 393.5
Mar	391.0	393.5	392.5 387.0

Turnover: Raw 4506 (3835)lots of 50 tonnes. White 1016 (2451)
Paris- White (FFr per tonne): Aug 2420, Oct 2220, Dec 2175, Mar 2160, May 2160

CRUDE OIL – IPE $/barrel

	Latest	Previous	High/Low
Jun	17.30	17.20	17.33 17.15
Jul	17.83	17.60	17.83 17.53
Aug	18.02	17.70	18.02 17.76
IPE Index	17.07	16.87	

Turnover: 15294 (11860)

GAS OIL – IPE $/tonne

	Latest	Previous	High/Low
Jun	155.00	151.50	155.25 152.00
Jul	154.50	151.50	154.00 151.00
Aug	156.25	154.00	154.50 153.00
Sep	158.00	155.00	156.25 155.25
Oct	160.75	157.75	158.50 157.75
Nov	163.00	160.00	160.50 159.75
Dec	163.00	161.00	162.00 161.00
Jan	162.50	160.50	161.00 160.75

Turnover 3458 (8883)lots of 100 tonnes

FRUIT AND VEGETABLES
Cape Golden Delicious (48-60p a lb) and Granny Smith (45-65p a lb) are excellent value this week along with lemons (8-18p each) and oranges (8-20p each).
There is an abundance of potato varieties with white (11-17p a lb) and red (15-20p a lb), but in peak season at the moment is asparagus with spears available for £1.25-2.50 a lb.
Homegrown and imported celery (40-88p a head) remains a star salad buy along with cucumber (40-64p each) and tomatoes (English & Dutch 60-85p a lb.)

COCOA – London FOX £/tonne

	Close	Previous	High/Low
May	842	825	851 840
Jul	860	840	866 850
Sep	876	855	882 867
Dec	893	870	900 885
Mar	906	889	917 900
May	921	905	930 915
Jul	936	919	947 936

Turnover: 6486 (10040) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for May 9 1014.70 (995.52) 10 day average for May 10 1030.33 (1030.75)

COFFEE – London FOX £/tonne

	Close	Previous	High/Low
May	645	645	653 645
Jul	664	667	673 662
Sep	673	677	684 672
Nov	688	690	696 687
Jan	701	703	711 700
Mar	712	715	719 718
May	729	726	730 730

turnover: 2688 (2630) lots of 5 tonnes
ICO indicator prices (US cents per pound) for May 9: Comp. daily 73.53 (72.89). 15 day average 73.62 (73.66)

POTATOES – BFE £/tonne

	Close	Previous	High/Low
May	257.0	254.0	258.9 250.0
Nov	124.0	124.0	124.0 118.0
Apr	177.0	175.0	182.0 170.0

Turnover 551 (751) lots of 40 tonnes.

SOYABEAN MEAL – BFE £/tonne

	Close	Previous	High/Low
Aug	127.50	126.00	127.50
Oct	130.50	128.00	130.50 129.50

Turnover 70 (12) lots of 20 tonnes.

FREIGHT FUTURES – BFE $10/index point

	Close	Previous	High/Low
May	1265	1300	1273 1260
Jun	1185	1201	1205 1180
Jul	1088	1102	1105 1070
Oct	1189	1205	1210 1180
Jan	1222	1230	1225 1220
BFI	1317	1321	

Turnover 378 (271)

GRAINS – BFE £/tonne

Wheat	Close	Previous	High/Low
May	119.00	118.90	119.00 118.50
Jun	120.15	119.90	120.15 119.70
Sep	114.10	114.00	114.10 113.80
Nov	117.10	116.90	116.90 116.75
Jan	120.35	120.25	120.25 120.10
Mar	123.55	123.45	123.60 123.50
May	126.35	126.25	126.25
Barley	**Close**	**Previous**	**High/Low**
May	104.50		105.00
Sep	111.75	111.85	112.10 111.65
Nov	115.90	115.80	115.65
Mar	122.00		122.00
May	123.00		123.00

Turnover: Wheat 208 (363), Barley 62 (17).
Turnover lots of 100 tonnes.

PIGS – BFE (Cash Settlement) p/kg

	Close	Previous	High/Low
Jun	126.0	124.5	125.5 124.5
Oct	121.0		119.0

Turnover 47 (25) lots of 3,250 kg

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Ring turnover 14,050 tonne
Cash	1536-9	1508-10	1530	1529-30		
3 months	1565-6	1528-30	1560/1540	1547-8	1559-60	45,205 lots
Copper, Grade A (£ per tonne)						Ring turnover 57,100 tonne
Cash	1745-50	1725-30	1755/1745	1755-7		
3 months	1555-6	1519-20	1568/1550	1564-5	1568-7	80,845 lots
Lead (£ per tonne)						Ring turnover 10,675 tonne
Cash	508-10	493-5	515/514	514-5		
3 months	496-7	480-90	500/494	496-500	495-7	10,210 lots
Nickel ($ per tonne)						Ring turnover 1,548 tonne
Cash	9050-100	8825-50	9100/8950	9050-75		
3 months	8800-25	8700-25	8825/8725	8750-75	8750-800	7,197 lots
Tin ($ per tonne)						Ring turnover 785 tonne
Cash	6485-505	6460-80	6485	6485-7		
3 months	6615-21	6575-80	6640/6600	6605-10	6630-40	6,193 lots
Zinc, Special High Grade ($ per tonne)						Ring turnover 18,500 tonne
Cash	1868-70	1830-5	1870/1865	1865-70		
3 months	1743-5	1715-6	1747/1730	1733-5	1735-8	18,431 lots

LME Closing £/$ rate:
SPOT: 1.6735 | 3 months: 1.6463 | 6 months: 1.6186 | 9 months: 1.5968

LONDON BULLION MARKET

Gold (fine oz)	$ price	£ equivalent
Close	371¼-371¾	221½-222
Opening	371-371½	221¼-222¼
Morning fix	371.00	221.532
Afternoon fix	371.75	222.206
Day's high	372-372½	
Day's low	370¾-371¼	
Coins	**$ price**	**£ equivalent**
Mapleleaf	378-383	226-229
Britannia	378-383	226-229
US Eagle	378-383	226-229
Angel	378-383	226-229
Krugerrand	370-373	221-223
New Sov.	87¼-89¼	52-53½
Old Sov.	87¼-89¼	52-53½
Noble Plat	489.55-497.30	292.80-297.45
Silver fix	**p/fine oz**	**US cts equiv**
Spot	300.70	503.25
3 months	312.30	514.10
6 months	323.85	525.00
12 months	347.35	548.40

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	July	Sep	July	Sep
1450	114	131	12	25
1550	49	71	45	62
1650	15	34	110	121
Copper (Grade A)	**Calls**		**Puts**	
2450	224	154	36	91
2600	129	87	89	169
2700	83	56	141	235
Coffee	**Jul**	**Sep**	**Jul**	**Sep**
600	69	89	6	16
650	35	58	22	3515
700	15	36	52	65
Cocoa	**Jul**	**Sep**	**Jul**	**Sep**
800	71	95	12	21
850	39	65	30	39
900	20	42	61	66
Brent Crude	**Jul**	**Aug**	**Jul**	**Aug**
1700			27	
1750	54		41	
1800	28			

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
May	370.1	371.9	0	0
Jun	372.0	373.7	374.3	370.8
Jul	374.3	376.1	0	0
Aug	377.0	378.5	379.1	375.6
Oct	381.7	383.6	384.0	381.1
Dec	387.0	388.5	389.0	385.5
Feb	391.5	393.6	391.5	390.8

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Jul	484.9	486.5	488.0	483.0
Oct	490.8	492.8	493.0	490.2

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
May	508.8	502.8	510.0	504.5
Jun	511.0	505.3	508.0	508.0
Jul	515.0	509.3	518.0	508.5
Sep	523.5	517.9	528.0	518.0
Dec	535.4	529.8	539.0	530.0
Jan	539.3	533.7	542.0	542.0
Mar	547.1	541.5	549.5	542.5
May	555.4	549.8	559.0	559.0
Jul	563.8	558.2	564.0	562.0
Sep	572.7	567.1	0	0

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
May	125.70	124.40	127.10	124.75
Jun	123.00	121.70	123.00	120.50
Jul	118.40	117.50	119.25	117.10
Aug	114.00	113.50	0	0
Sep	112.30	112.30	112.50	111.20
Oct	110.50	110.85	0	0
Nov	108.75	108.40	0	0
Dec	107.00	108.00	108.00	106.00
Jan	105.90	107.00	0	0
Mar	103.70	105.00	104.50	103.50

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
Jun	19.23	18.99	19.29	18.74
Jul	19.65	19.44	19.70	19.23
Aug	19.80	19.67	19.85	19.50
Sep	19.93	19.84	19.96	19.74
Oct	20.04	19.95	20.10	19.90
Nov	20.02	19.93	20.05	19.91
Dec	20.00	19.90	20.04	19.80
Feb	19.92	19.81	19.92	19.82
Mar	19.87	19.78	19.87	19.75

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
Jun	5225	5134	5240	5110
Jul	5200	5100	5205	5085
Aug	5270	5171	5275	5160
Sep	5395	5316	5410	5305
Nov	5580	5490	5580	5490
Dec	5672	5577	5675	5570
Jan	5710	5607	5710	5610
Feb	5600	5542	5600	5570

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
May	1301	1273	1310	1285
Jul	1313	1289	1333	1295
Sep	1327	1304	1345	1313
Dec	1365	1332	1370	1339
Mar	1365	1351	1384	1360
May	1382	1367	1396	1376
Jul	1396	1381	1457	1411

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
May	91.56	92.43	92.60	91.35
Jul	93.17	94.29	94.45	93.15
Sep	94.97	96.18	96.30	94.70
Dec	97.05	98.21	98.40	97.05
Mar	98.75	100.25	100.25	99.50
May	100.50	102.25	101.75	0
Jul	102.00	103.50	0	0
Sep	101.50	103.00	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jul	14.65	14.66	14.73	14.50
Oct	14.61	14.65	14.69	14.48
Mar	14.18	14.17	14.20	13.97
May	14.05	14.04	13.95	13.90
Jul	13.90	13.95	0	0
Oct	13.70	13.75	0	0

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
Jul	75.20	74.87	75.65	74.80
Oct	71.00	70.75	71.20	70.85
Dec	68.26	67.93	68.40	67.95
May	69.05	69.10	69.40	69.20
Jul	68.90	69.00	0	0

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
May	195.10	195.80	195.50	194.00
Jul	193.40	194.90	194.25	192.30
Sep	187.50	188.10	188.00	187.00
Nov	180.80	181.50	180.80	180.00
Mar	177.45	178.20	177.50	177.45
May	178.00	178.20	0	0
Jul	178.00	178.20	0	0

INDICES

REUTERS (Base: September 18 1931 = 100)			
May 10	May 9	mnth ago	yr ago
1831.5	1925.6	1988.3	2004.4

DOW JONES (Base: Dec. 31 1974 = 100)				
	May 9	May 8	mnth ago	yr ago
Spot	136.60	135.05	134.80	138.30
Futures	135.14	133.87	134.16	136.94

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
May	648/0	646/6	651/0	643/4
Jul	660/4	659/4	664/4	656/4
Aug	667/2	666/0	670/4	663/4
Sep	666/6	666/2	672/4	665/4
Nov	673/4	675/0	678/4	672/0
Jan	683/4	685/6	688/4	682/0
Mar	692/4	695/4	698/0	692/4
May	701/4	704/4	706/0	701/4

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
May	24.58	24.64	24.72	24.52
Jul	24.65	24.68	24.77	24.58
Aug	24.58	24.61	24.65	24.46
Sep	24.36	24.41	24.45	24.30
Oct	24.12	24.12	24.15	24.05
Dec	23.90	23.86	23.96	23.77
Jan	23.71	23.67	23.75	23.65
Mar	23.57	23.50	23.60	23.50

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
May	188.1	187.0	188.8	186.5
Jul	192.1	191.1	193.2	190.5
Aug	194.0	193.5	195.5	192.5
Sep	195.5	195.2	197.0	194.7
Oct	197.0	197.0	198.8	196.5
Dec	200.6	200.9	202.5	200.0
Jan	202.0	202.5	202.0	202.0
Mar	205.5	206.5	207.0	204.5

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
May	289/2	290/0	291/2	288/2
Jul	291/6	290/6	293/2	290/4
Sep	283/0	281/0	284/2	281/0
Dec	277/4	274/6	278/2	276/2
Mar	283/0	280/2	283/6	280/2
May	285/0	282/0	286/2	283/4
Jul	287/6	284/4	288/2	285/4

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
May	382/0	379/4	383/6	380/4
Jul	349/2	349/4	351/4	348/2
Sep	354/4	354/4	357/0	354/0
Dec	366/6	367/6	369/4	366/4
Mar	372/4	375/0	375/0	372/4
May	363/4	366/0	366/0	363/4

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jun	74.20	74.72	75.12	74.05
Aug	72.20	72.62	72.90	71.85
Oct	74.30	74.67	74.85	74.25
Dec	74.92	75.22	75.35	74.80
Feb	75.05	75.35	75.50	75.05
Apr	75.50	75.75	75.90	75.50
Jun	74.00	74.15	74.00	74.00

LIVE HOGS 30,000 lb; cents/lbs

	Close	Previous	High/Low	
Jun	63.62	64.42	65.17	63.20
Jul	62.62	63.40	64.20	61.90
Aug	60.92	61.57	62.17	60.35
Oct	54.22	54.50	55.50	53.87
Dec	53.65	53.37	54.80	53.10
Feb	51.45	51.20	52.05	51.00
Apr	48.10	48.20	48.70	47.90
Jun	51.05	51.10	51.70	51.05

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
May	68.00	67.95	68.75	65.95
Jul	68.45	68.45	69.30	66.45
Aug	63.75	65.75	68.65	63.75
Feb	59.72	59.70	61.52	59.35
Mar	59.30	59.00	60.80	0
May	59.55	59.70	60.75	59.50

LONDON STOCK EXCHANGE

Resilient performance from equities

THE LONDON equity market emerged only slightly bruised from a session that was marked by a series of fundamentally bearish developments.

At the close, the FT-SE 100-share index was down 5.7 at 2,157.0, the session's lowest level but a performance described by analysts as more than creditable after digesting the day's events.

The bad news, in the form of a medium-sized rights issue and below par results from a number of important companies, was in the market from the outset. But it failed to cause any major damage to sentiment boosted by an authoritative newspaper report suggesting that the headline inflation figure due to be published at 11.30am today would show a year-on-year increase in the Government's Retail Price Index of only 9.5 per cent or thereabouts. The market had been bracing itself for some days for a number to be revealed in double figures.

Account Dealing Dates		
*First Dealings:		
Apr 30	May 14	May 29
Option Declarations:		
May 10	May 24	Jun 7
Last Dealings:		
May 11	May 25	Jun 8
Account Day:		
May 21	Jun 4	Jun 18

*New time dealings may take place from 9.00 am two business days earlier.

Dealers in London expressed relief at the latest news from the US Treasury auctions, where a tranche of $10bn-worth of 10-year bonds was perceived to have gone extremely well.

Opening with minor gains across the board, the leading alpha stocks edged progressively higher until the middle of the morning, when the market suddenly faltered and then backtracked as news of a serious profits warning filtered out of the GKN annual meeting and into the marketplace. But the selling, although heavy and persistent in GKN and a few other related stocks, was never more than fitful in the rest of the market. The FT-SE was at the day's best, up 6.5, immediately ahead of the GKN meeting.

Thereafter, there was a constant stream of disconcerting news items, but all of these did no more than induce some small-scale selling. "This market has had a lot thrown at it today and has proved its resilience," said a trader with one of the UK investment banks.

The list of bad news grew longer as the day wore on. Harrisons & Crosfield, the overseas trader, launched a £147m rights issue and the banking sector, upset by the recent profits warning by Midland and some hefty downgradings by leading brokers, showed Standard Chartered under intense pressure after the annual meeting.

More disappointing news was forthcoming from BP – where there was a rush of profits downgrades after the increased tax charge in the first quarter – and General Accident shocked the market by disclosing the cost to the company of the storms that swept across Europe in January and February.

On the plus side, Ladbroke moved higher after a bullish presentation to analysts. Turnover in equities reached 406.3m shares, compared with Wednesday's 425.8m.

FINANCIAL TIMES STOCK INDICES

	May 10	May 9	May 8	May 4	May 3	Year Ago	1990 High	1990 Low	Since Compilation High	Since Compilation Low
Government Secs	78.35	78.10	78.24	75.98	74.89	86.54	84.20 (2/1)	74.13 (30/4)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	85.61	85.38	85.18	85.35	84.74	97.32	92.91 (8/1)	83.80 (30/4)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary Share	1690.8	1695.6	1710.1	1696.8	1676.0	1758.7	1868.3 (3/1)	1653.6 (30/4)	2008.6 (16/7/87)	49.4 (26/6/40)
Gold Mines	227.9	226.6	227.0	215.8	215.5	174.3	378.5 (5/2)	215.5 (3/5)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2157.0	2162.7	2182.0	2162.2	2134.9	2118.3	2463.7 (3/1)	2103.4 (30/4)	2463.7 (3/1/90)	986.9 (23/7/84)
Ord. Div. Yield	5.37	5.36	5.31	5.35	5.41	4.47				
Earning Yld %(full)	12.04	12.00	11.90	11.99	12.12	10.92				
P/E Ratio(Net)(*)	10.02	10.06	10.14	10.07	9.96	11.04				
SEAQ Bargains 4.30pm	20,474	19,872	21,786	20,327	18,245	23,263				
Equity Turnover(£m)†	-	588.23	665.21	785.64	705.55	1170.87				
Equity Bargains†	-	18,417	20,883	19,442	17,836	27,029				
Shares Traded (ml)†	-	284.4	298.2	357.0	354.7	435.3				

Ordinary Share Index, Hourly changes — Day's High 1704.5 — Day's Low 1690.8

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
1698.7	1700.7	1702.4	1704.3	1698.2	1692.2	1693.1	1693.7	1694.0

FT-SE, Hourly changes — Day's High 2169.2 — Day's Low 2157.0

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2162.9	2165.6	2168.7	2169.2	2162.8	2161.3	2162.4	2164.2	2161.7

Basis 100 Govt Secs 15/10/26 Fixed Int. 1928 Ordinary 1/7/35 Gold mines 12/9/55 Basis 1000 FT-SE 100 31/12/83 * Nil 9.92

GILT EDGED ACTIVITY

Indices	May 9	May 8
Gilt Edged Bargains	103.8	117.3
5 - Day average	94.6	88.9

†SE Activity 1974 *Excluding intra-market business & Overseas turnover. Calculation of the FT Indices of daily Equity Bargains and Equity Value and of the five-day averages of Equity Bargains and Equity Value was discontinued on July 31. Closing values for July 28 available on request. London report and latest Share Index: Tel 0898 123001

Profits warning hits GKN

GKN, the automotive and engineering group, dropped sharply after the chairman issued a profits warning at the company's annual meeting yesterday. The shares achieved the dubious honour of recording the heaviest fall of any constituent of the the FT-SE 100 share index.

High interest rates and industrial relations problems at customers' plants were blamed for the projected profits shortfall. The chairman said the company had not "reached the level of pre-tax profits in the first four months of this year that we attained in the very strong corresponding period of 1989." The statement took the market by surprise and caused a rush of sellers. By the close, the shares had dropped 31 to 366p in hefty trade of 7.1m shares.

Echoing the sentiment of many in the market, Mr Mike Tampin at Hoare Govett said: "There was no indication that profits would be lower in the first half." Hoare consequently cut its forecast of 1990 profits from £233m to £200m.

However, Mr Gavin Lauder at Kleinwort Benson said the news was far from a surprise and explained: "We have been warning of a profits decline for the last six months." He added: "We remain cautious, although the shares have an attractive yield." Mr Lauder reduced his 1990 profits forecast by £10m to £197.5m.

Ladbroke supported

Ladbroke caught the imagination before and after a lunch with analysts at the London Hilton Hotel yesterday. The early buying activity also accompanied reports that the group had sold a stake in one of its four Hilton International hotels in Japan.

This brought the quick reply from the company of "when we sell down equity in any one of our hotels, we will make an announcement." The group's strategy is to sell equity stakes in certain hotels, retaining the management contract and an equity base.

The later demand was apparently inspired by the mistaken impression that Ladbroke could be contemplating some reorganisation of its core businesses. Hotels and racing form the two main divisions, followed by DIY and property. Asked whether Texas Homecare would be sold, chairman Mr Cyril Stein replied: "If the price is right, who knows?"

A more likely reason for the support, which lifted the shares 11 to 288p in good turnover of 4.4m, was the chairman's view of prospects.

Mr Stein says in the group's annual report, released today: "We are confident that, as a major international group, the company will continue its growth in 1990 and throughout the next decade. Ladbroke is currently earning more than 40 per cent of its profits outside the UK."

Heavy Sears trade

Volume in Sears expanded to 23m shares in busy two-way trading after the company announced its full year results.

The headline profit figure fell from £272.8m to £231.4m, but a change in the company's reporting of property profits left analysts producing a variety of new forecasts and comparisons with a variety of old figures. "It is complicated, it is messy," said one.

Analysts generally cut their forecasts. Mr Keith Wills at Goldman Sachs, for example, said this year's profits would be £170m, a property-adjusted figure to be compared with £183.5m, rather than the headline figure and the previous estimate of a small year-on-year rise. His hold recommendation was based on the yield of around 8 per cent and the company's assets.

A dealer said that much of the turnover was on the inter-dealer broking network. Another added that a single determined seller of the stock kept buyers more than supplied. The price fell 3¼ to 88½p. Sears was the most actively traded instrument on the traded options market. Contracts for the equivalent of more than 2.1m shares changed hands.

Unimpressive BP

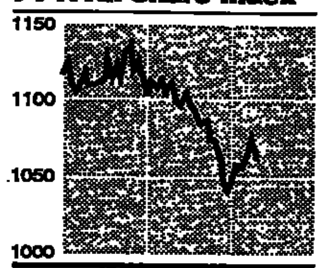
First-quarter figures from BP were at the bottom end of the market range but had little impact on BP shares until near the end of the trading session. The stock then came under pressure to finish a net 5 down at 310p as analysts began to downgrade full-year profits forecasts.

Turnover, which barely made the million mark by lunchtime, expanded quite rapidly towards the close, eventually reaching 3.7m shares.

Net income for the first quarter, on an historic cost basis, came out at £344m, compared with a market range of £320m to as much as £460m. But what disturbed many analysts was the increased tax charge for the first-quarter to almost 50 per cent, "a figure which could set the scene for the rest of the year," according to one specialist. He went on to say that he expected a series of "quite sizeable downgrades to accommodate the tax charge news."

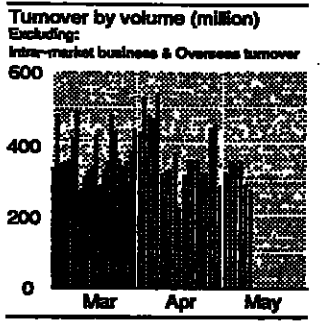
BZW trimmed its full year forecast to £1.32bn, emphasising at the same time that it retained its positive stance on the stock, while Hoare Govett reduced from £1.54bn to £1.22bn. Smith New Court said it was "sticking with a £1.3bn figure," and Kleinwort Benson stayed with its expectation of £1.57bn.

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million) Excluding: Intra-market business & Overseas turnover



Standard lowered

The statement by Standard Chartered's chairman at the annual meeting that "1990 will be difficult and a major improvement over last year's trading profit will be hard won" led to a sharp mark-down of the shares.

Last year's trading profit was affected by a £50m write-off against loans to US computer company Miniscribe. Analysts had additionally hoped that cash from property sales in that year would generate investment income this year. They estimated that this would add at least £100m to the profit - the amount by which analysts at Smith New Court cut their forecast. They now estimate £250m pre-tax instead of £350m. Smith recommended selling into any strength.

Analysts at Shearson Lehman cut their figure from £340m to £250m too, citing fears about UK debt and the Australian operation. Mr Peter Toeman at UBS Phillips & Drew trimmed his forecast by £30m to £330m. Mr Toeman reasserted his sell recommendation, saying that while the yield looked high at 10¼ per cent, in recent years they had traded at more than twice the market's average yield, which was now at 5.7 per cent.

Standard fell 18 to 468p to close at the day's worst level. Turnover was 1.2m shares, the vast majority of which was done around the lowest levels.

SmithKline Beecham was one of the day's best performers on reconsideration of Wednesday's first-quarter figures. The "A" shares climbed 19 to 491p.

First-quarter figures from General Accident showed a loss of £81m, almost double analysts' forecasts. Some traders suggested that the company was loading the bad news of payouts for damage done by storms earlier in the year into the first quarter.

Analysts were more pessimistic. Mr David Hudson at BZW said that there were problems with motor insurance, and that since Hurricane Hugo the company had not had positive cash-flow and therefore had not been able to take advantage of high interest rates. "These are not one-off losses," he said.

Kwik Save, the discount supermarket group which last week disappointed the stock market with a smaller-than-expected increase in profits, dropped 11 to 472p after a visit by County NatWest.

Although County remained content to leave its above average full year profit forecast unchanged at £89m, it did not doubt the market's short-term negative sentiment resulting from the cost of the company's conversion programme. Kwik Save was also depressed on a trade press report that Aldi, the West German supermarket group, had confirmed it would open 50 stores in the UK before the year-end. But Mr Trevor Coates, managing director of Aldi UK, denied having made such a statement.

Sainsbury, the leading food retailer, slipped 3 to 257p as BZW advised investors to sell. "Sainsbury no longer deserves such a high premium in relation to prospective earnings growth," BZW said. Argyll eased 2 to 212p as 3.5m shares were traded, with BZW again expressing caution.

Bernard Matthews, the turkey and meat producer, added 8 at 68p following an upbeat statement at the company's annual meeting. Mr Bernard Matthews, the chairman, said that in the absence of any unforeseen circumstances profits in the first half of this year should significantly exceed those of the same period in 1989.

Lucas Industries followed GKN lower and closed 20 down at 591p after turnover of 2.3m shares.

T & N eased a penny to 159p after shareholders were told at the annual meeting yesterday that the weak and uneven demand for automotive components and other consumer-related products experienced at the end of last year had continued into the first three months of 1990.

Pilkington eased 3 to 183p following a placing of just over 5m shares, said to have been executed by James Capel, the broking house, at 183p. **Trafalgar House** gained 7 to 293p as the shares bounced after the previous session's fall and encountered buying before going ex-dividend on Monday.

BOC, weak ahead of yesterday's interim results, rallied 3 to 510p after reporting profits above market expectations.

The half-year profits improved 12 per cent to £170.1m. Mr Andrew Benson at Robert Fleming said the results "revealed a broadly based improvement in operating profits across the group," and the company was on target to achieve his 1990 profits forecast of £365m.

Sema, the Anglo-French company, advanced 30 to 498p, having touched 504p earlier, on speculation that Cap-Gemini-Sogeti, of France, which already holds a 20 per cent stake, would soon launch a bid for the company.

USM-listed **Circaprint** dived 10 to 33p after the chairman warned of lower profits. The interim figures revealed a loss.

British Telecom lost 4¼ to 254p in trade of 7.8m shares, affected by speculation that up to 94m shares could come on to the market on May 15 when employees exercise their share options.

The sale by **Bowater** of Crossley Builders Merchants to **Harrisons and Crosfield** for £113m sent shares of the two quoted companies in opposite directions.

Mr John Kenny at BZW explained that the 14 times earnings that Bowater had achieved was a good price and that the company had thereby cut gearing from 131 per cent to 77 per cent. The rise in the shares was justified, he said, and reiterated his buy recommendation.

Bowater climbed 21 to 478p. Harrisons retreated 10 to 150p as the company said it was raising about £147m by way of a one-for-five rights issue at 132p per share.

The **water stocks** eased as the market began to reassess how the Conservative Party performed in last week's local government elections. The **Water Package** closed 10 lower at £1400.

Selected **builders merchants** warmed to the Crossley deal. Particularly affected were **Meyer International**, which advanced 10 to 358p, and **Wickes**, 7 ahead at 182p.

Adverse press views on the annual results, announced Wednesday, exerted selling pressure on **Brent Walker** shares and the close was 26 down at 269p.

Traders in **RIT Capital Partners** were relieved that the damage to the company's balance sheet, through write-downs in the value of investments, was not worse and the shares rallied 3 to 93p.

RIT's involvement in the abortive bid for BAT Industries was especially costly. Net asset value (undiluted) fell to 147.9p from 153.2p but the latest figure was above market expectations.

■ Other Market statistics, including the FT-Actuaries share index, Page 32

NEW HIGHS AND LOWS FOR 1990

NEW HIGHS (21).
BRITISH FUNDS (2) AMERICANS (3) BANKS (1) ELECTRICALS (3) ENGINEERING (2) INDUSTRIALS (4) Alfa-Laval "B", Astra, Dolphin Packaging, Proudfoot (A), INSURANCE (1) LEISURE (1) SHOES (1). TRUSTS (2) THIRD MARKET (1).
NEW LOWS (137).
AMERICANS (2) CANADIANS (1) BANKS (3) BUILDINGS (10) CHEMICALS (2) ELECTRICALS (8) ENGINEERING (9) FOODS (8) HOTELS (1) INDUSTRIALS (26) Amer, BTR, Brit. Aerospace 7.75p (Net) Cv. Pf., Brit. Fittings, Cannon Street Invs., Co. of Designers, Cowan de Groot, Eleco, Flogas, Forwell, Lincoln House, McLeod Russel, Mining & Allied Supplies, Novo Inds. "B", Page (Michael), Pilkington, Raume-Repola, Reed Executive, Reliant, Sothebys Class A, Stonehill, Tamaris, Do. 8½pc Cm. Pf., Wellcome, INSURANCE (1) LEISURE (5) MOTORS (4) PAPERS (6) PROPERTY (8) SHOES (1) TEXTILES (1) TOBACCOS (1) TRANSPORT (4) TRUSTS (27) OILS (2) OVERSEAS TRADERS (1) MINES (8) THIRD MARKET (5).

TRADING VOLUME IN MAJOR STOCKS

Stock	Volume 000's	Closing Price	Day's change	Stock	Volume 000's	Closing Price	Day's change	Stock	Volume 000's	Closing Price	Day's change	Stock	Volume 000's	Closing Price	Day's change
British Gas	2,600	199½	-4	Hillsdown	1,300	244	+2	Reed Intl.	287	393	+1	Unigate	503	289	+1
British Land	788	330	-4	IMI	694	227	-1	Reuters	780	1098	-6	Unilever	471	627	-½
BP	3,700	310	-6	ICI	438	1161	+1	Rolls Royce	2,500	198	+½	United Biscuits	800	325	
British Steel	5,600	143½	+1	Inchcape	850	247	+3	Rothmans	143	667	-2	Utd. Newspapers	[illegible]	328	
British Telecom	7,800	254	-4½	Kingfisher	1,000	287	+1	Ryl Bk Scotland	235	353		Water Package Uts.	1	£1400	-10
Bunzl	1,100	88	-1	Ladbroke	4,400	288	+11	Royal Insurance	1,700	432	-11	Wellcome	350	644	+1
Burmah Oil	83	588	-2	Land Securities	59	470		STC	1,300	241	+1	Welsh Water	560	149	
Burton	1,600	158	+1	Laporte	89	503	+1	Saatchi	1,800	112½	-4	Wessex Water	261	142	-1
Cable & Wire.	1,700	485	+7	Legal & General	308	384	-3	Sainsbury	1,500	257	-3	Whitbread 'A'	1,200	381	+1
Cadburys	420	318	+2	Lloyds Abbey	155	264	+1	Scottish & New	556	295	+2	Williams Hldgs.	1,300	255	+1
Calor Group	100	258	-2	Lloyds Bank	3,100	261	-4	Sears	23,000	88½	-3½	Willis Faber	487	263	
Carlton Comms.	84	610	+2	LASMO	684	372	-3	Sedgwick	187	265		Wimpey	562	218	+1
Coats Viyella	340	113	+1	Lonrho	910	230		Severn Trent Water	545	178	-1	Yorkshire Water	295	155	
Comm. Union	438	446	-8	Lucas	2,300	591	-20	Shell Transport	3,200	435	-5				

Based on trading volume for most Alpha securities dealt through the SEAQ system yesterday until 4.30pm

APPOINTMENTS

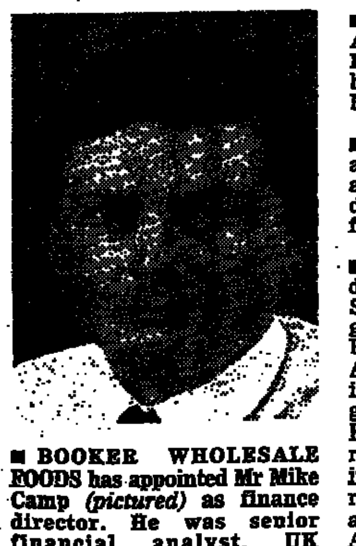
Costain Group forms new company

■ COSTAIN GROUP has formed Costain E & C as principal operating company controlling engineering and construction activities. The following have been appointed to the board: Mr J.E. Langford (chairman), Mr W. Gerretsen (managing director), Mr R.J. Boland, Mr I.R. Clark, Mr A.J.D. Franklin, Mr W. Sperry and Mr R. Smethurst.

■ Mr Colin Rumsey has joined SILKOLENE LUBRICANTS, Belper, as sales and marketing director.

■ Mr R.J. Blewer, Mr S.W. Daley, Mr J.M. Goldsmith, Mr L.C. Wiggins and Mr S.P. Keene have been appointed directors of TULLETT & TOKYO (FOREIGN EXCHANGE) CO.

■ WILLMOTT DIXON HOLDINGS has made the following appointments: Mr Harry Butler becomes contracts director, and Mr John O'Neill surveying director of Willmott Dixon Western, Newbury; Mr Richard Wilson is made construction director of Willmott Dixon London; Mr Graham Howe becomes construction director of Willmott Dixon Anglia, Norwich; and Mr Mark Tomlinson has been made a director of Willmott Dixon Housing.



■ BOOKER WHOLESALE FOODS has appointed Mr Mike Camp *(pictured)* as finance director. He was senior financial analyst, UK agribusiness division of Booker.

■ TORVALE FISHER ENGINEERING, Leominster has appointed Mr William J.H. Todd as deputy managing director. He was director of Sovex Marshall.

■ HAWKER SIDDELEY GROUP has promoted Mr Sean Cummins from financial controller to financial director of Hawker Energy Products.

■ Mr Stephen Fox has been appointed managing director of WHITECAP INTERNATIONAL, Poole, part of CMB Closures. He was business director of CMB Bevcan.

■ Mr Douglas Kinloch Anderson and Mr Joe Scott Plummer have joined the board of the SCOTTISH EASTERN TRUST.

■ WACE GROUP has appointed Mr Stephen Puckett as group corporate finance director. He was corporate finance manager.

■ Mr R.D. Green, managing director of ELKEM ALLOYS, Sheffield, has been appopinted general sales manager for Elkem metals in North America and Canada, based in Pittsburgh. Mr D.J. Dixon, general manager of Elkem Ferro Silicon, will assume responsibility for Elkem Alloys in the UK, retaining responsibility for foundry activities outside North America. He was at the company's headquarters in Oslo.

■ GIROVEND HOLDINGS has appointed as non-executive directors Mr Derrick A. Pease, chairman of Cassidy Davis, and of National Mutual Life Assurance; and Mr Peter Tudball, managing director of Graig Shipping, and vice chairman of the Baltic Exchange.

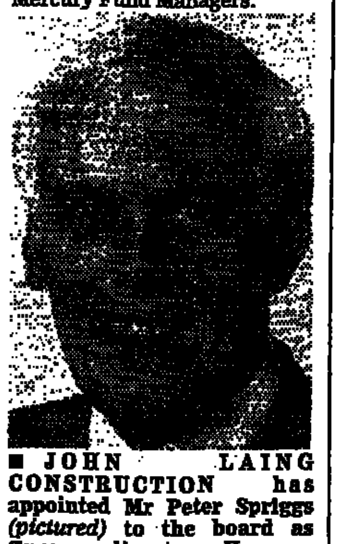
■ GUINNESS MAHON UNIT TRUST MANAGERS, has appointed Ms Joanne Wright as marketing manager.

■ IONIX DEVELOPMENT CO, Hanley, has appointed to the board Mr Philip Latham, sales and marketing, Mr Roy Rushton, commercial, and Mr Bob Shaw, operations.

■ NIXDORF COMPUTER has appointed Mr Terry Edney as head of human resources. He was director of organisation and business development at Wang.

■ Mr Richard Marshall has been appointed to the board of INVESTMENT RESEARCH, Cambridge. He is chief UK equity analayst and a fund manager.

■ Mr Brian Primrose has been appointed operations director, SCHRODER UNIT TRUSTS. He was head of operations with Mercury Fund Managers.



■ JOHN LAING CONSTRUCTION has appointed Mr Peter Spriggs *(pictured)* to the board as finance director. He was appointed chief accountant in 1980.

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1990 High	1990 Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
99⅛	96⅞	Treas. 3pc 1990	99⅛xd		3.02	[illegible]
99⅞	97½	Treas 8¾pc 1987-90‡‡	99⅞xd		8.29	[illegible]
98⅞	97⅛	Treas. 8pc Cv 1990 ‡‡	98⅞		8.09	[illegible]
97¾	96⅞	Treas. 10pcCv 1990	97¾		10.22	[illegible]
95¾	93½	Exch 2½pc 1990	95⅞xd		2.61	[illegible]
98⅞	97⅛	Treas 11¾pc 1991	98¼		11.97	[illegible]
94¾	92¾	Funding 5¾pc '87-91‡‡	94¾		6.08	[illegible]
92¾	89¾	Treas. 3pc 1991	92¾xd		3.23	[illegible]
96⅛	94⅞	Treas 10pc Cv '91 ‡‡	95⅞		10.45	[illegible]
97⅛	94⅞	Exch. 11pc 1991	95⅞		11.48	[illegible]
92⅞	90⅛	Treas. 8pc 1991	91⅞xd		8.73	[illegible]
101⅛	97⅞	Treas 12¾pc 1992‡‡	98⅛		13.00	[illegible]
96	92¾	Treas 10pc 1992	93⅞	+⅛	10.67	[illegible]
91⅞	89⅛	Treas. 8pc 1992 ‡‡	90¼	+⅛	8.85	[illegible]
97⅞	93⅛	Treas 10½pc Cv 1992‡‡	94¼		11.14	[illegible]
84⅞	82⅞	Treas. 3pc 1992	84¼xd		3.56	[illegible]
100⅞	95⅞	Exch. 12¼pc '92	96¼	-⅛	12.66	[illegible]
104	98⅛	Exch 13½pc 1992	99⅛	-⅛	13.59	[illegible]
91½	86¼	Treas 8¾pc 1993	88⅛	-⅛	9.37	[illegible]
96⅞	90¼	Treas 10pc 1993‡‡	91⅞	-⅛	10.89	[illegible]
103⅞	96⅞	Treas 12½pc 1993‡‡	97⅞	-⅛	12.83	[illegible]
85⅞	82	Funding 6pc 1993‡‡	83¾		7.20	[illegible]
107⅞	99¾	Treas 13¾pc 1993‡‡	100⅞xd	-¼	13.63	[illegible]
91	84¼	Treas. 8½pc 1994	86⅛	+⅛	9.88	[illegible]
111⅛	102⅞	Treas 14½pc 1994‡‡	104⅛	+⅛	13.94	[illegible]
107⅞	99¼	Exch 13½pc 1994	100⅞	+⅛	13.41	[illegible]
96⅞	88⅞	Treas. 10pc Ln. 1994‡‡	90½xd	+⅛	11.05	[illegible]
104½	96⅛	Exch. 12½pc 1994	97⅞	+⅛	12.80	[illegible]
92½	85	Treas 9pc 1994‡‡	86⅞xd	+⅛	10.40	[illegible]

Five to Fifteen Years

1990 High	1990 Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
103⅞	94⅞	Treas 12pc 1995	95⅞	+⅛	12.47	[illegible]
76½	73	Exch 3pc Gas 90-95	74¼		4.04	[illegible]
96⅞	88⅛	Exch. 10¼pc 1995	89⅞	+⅛	11.42	[illegible]
108	97⅞	Treas 12¾pc 1995‡‡	99⅛xd	+⅛	12.84	[illegible]
112⅞	101⅞	Treas. 14pc '96	103¼	+⅛	13.54	[illegible]
92⅞	82⅞	Treas. 9pc 1992-96‡‡	84⅞	+⅛	10.67	[illegible]
119⅞	107⅞	Treas 15¼pc 1996‡‡	109⅛	+⅛	13.97	[illegible]
110⅞	99¼	Exch 13¼pc 1996‡‡	101⅛xd	+⅛	13.11	[illegible]
96⅞	85½	Conversion 10pc 1996	87⅞xd	+⅛	11.43	[illegible]
112⅞	98⅞	Treas 13¼pc 1997‡‡	101¼	+⅛	13.10	[illegible]
99⅞	87⅞	Exch 10½pc 1997	89⅛	+⅛	11.72	[illegible]
91⅞	79⅞	Treas 8¾pc 1997‡‡	81⅞	+⅛	10.71	[illegible]
121⅛	106¼	Exch 15pc 1997	108¾	+⅛	13.78	[illegible]
95⅞	83½	Exch. 9¾pc 1998	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

1990 High	1990 Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Undated

1990 High	1990 Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRITISH FUNDS—Contd

1990 High	1990 Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
25⅞	20⅛	Consols 2½pc	22⅛	+⅛	11.27	-
25½	20¼	Treas. 2½pc	22	+⅛	11.36	-

Index-Linked

1990 High	1990 Low	Stock	Price £	+ or -	(1)	(2)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INT. BANK AND O'SEAS

1990 High	1990 Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CORPORATION LOANS

1990 High	1990 Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COMMONWEALTH & AFRICAN LOANS

1990 High	1990 Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LOANS

Building Societies

1990 High	1990 Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Public Board and Ind.

1990 High	1990 Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOREIGN BONDS & RAILS

1990 High	1990 Low	Stock	Price £	+ or -	Div %	Red. Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS

1990 High	1990 Low	Stock	Price £	+ or -	Div Gross	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS—Contd

1990 High	1990 Low	Stock	Price £	+ or -	Div Gross	C'vr	Y'ld Gr's
21⅞	14¼	Chase Manhattan $12½	14¼xd	-⅛	$2.36	-	10.0
19¼	14	Chem. Banking Corpn.	14¼	-¼	$2.72	-	11.1
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIANS

1990 High	1990 Low	Stock	Price £	+ or -	Div Gross	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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BANKS, HP & LEASING

1990 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
303	219	ANZ SA1.	223	–1	44c	1.4	8.9	8.0
196	172	Abbey National 10p	188	–1	5.7	4.3	4.0	7.6
282	223	Allied Irish Ord.	227	+3	Q40%	♦	4.4	♦
£13¼	£11¾	Algemene Fl.10	£12¼	–⅛	Q28%	2.1	7.4	6.4
85	73	Anglo Irish	75	...	Q18.7%	2.7	5.9	10.2
81	68	Ansbacher (H.) 1p	68	.....	2.5	1.3	4.9	19.6
£71½	£54⅛	Bancaire Cie Fr100	£71½	+⅞	Q12¼%	–	1.9	–
£22¼	£16⅝	Banco Bilbao Viz.	£18	...	Q49.1%	2.7	4.7	11.7
£31	£24⅛	Banco de Santander.	£28	...	Q25%	2.4	4.0	10.4
286	224	Bank Ireland IrE1.	229	+3	Q12%	3.2	5.1	7.8
£19½	£18	Bank Leumi	£19½	...	–	–	–	–
350	320	Bank Leumi (U.K.)	345	.....	13.5	–	5.2	–
125	104	Bank Scotland	107	.....	4.55	q3.6	5.7	6.5
100¾	83¾	Do. 9¾pc Irrd Pf.	87½	+½	9¾%	–	14.1	–
54	42	Bank of Wales	42	...	2.8	♦	8.9	♦
599	493	Barclays £1	527	+3	27.4	3.5	6.9	5.2
22	14	Benchmark 20p.	14	–1	1.63	1.0	15.5	8.0
395	310	Brown Shipley £1.	315	+1	10.5	–	4.4	–
455	361	Cater Allen £1.	364	.....	23.5	–	8.6	–
179	137	Chancery	139	+2	8.0	2.8	7.7	6.1
£23¾	£19⅞	Commerzbk DM10	£21⅞	+¼	Q18%	–	3.0	–
£13¼	842	Dai Ichi KBk Y50	901	+1	Q16%	8.8	0.3	34.5
£313¾	£262¼	Deutsche Bk DM50.	£291⅞	+2⅛	Q28%	–	1.7	–
£20¾	£19	Espirito Santo	£19¾	–⅛	75c	3.3	2.3	13.4
253	183	First Nat. Fin 10p.	198	...	13.0	2.4	8.8	6.1
121	96	FNFC 6.3pc Cv. Pf.	98	.....	6.3%	–	8.6	–
£15¾	953	Fuji Bank Y50	£10⅛	–⅛	Q15.6%	4.2	0.3	–
325	262	Gerrard & National	268	...	18.5	–	9.2	–
154	140	Guinness Mahon 10p	140	...	2.1	–	2.0	–
328	223	Hambros 20p	237	–5	10.0	–	5.6	–
128	93	Do. 7.5pc Cv Pf	96	....	7½%	–	10.4	–
53½	43½	HK & Shang. HK$2.50	44	+½	hQ38c	–	6.5	–
478	458	Joseph (Leo) £1	458	...	15.85	–	4.6	–
145	126	King & Shaxson 20p	135	+5	10.25	♦	10.7	♦
422	340	Kleinwort Benson Grp	354	–3	16.0	2.5	6.0	9.0
642	402	Kyowa Bank Y50	464	–5	hQ14%	4.7	0.6	35.1
307½	242	Lloyds £1	261	–4	13.3	2.6	6.8	6.1
56	44	Lon. Scot. Bank 10p.	44	–1	2.4	1.8	7.3	9.2
404	272	Midland £1	295	+5	18.0	2.6	8.1	6.1
£14½	£10⅝	Mitsubishi Bank Y50.	£10⅝	.....	Q16%	8.1	0.3	44.6
£12¾	£6¾	Mitsubishi Tst & Bk Y50	£7⅞	–⅛	Q16%	8.2	0.4	30.3
£10⅝	£7⅞	Mitsui Bank Y50	£8⅝	–⅛	Q16%	6.0	0.4	43.6
904	559	Mitsui Tst & Bk Y50	601	–7	Q16%	7.1	0.5	26.7
326	279	Nat Aust. Bk. A$1	279	–1	Q50c	1.6	8.1	7.7
360	299	NatWest £1	324	–5	16.7	3.3	6.9	5.9
£210	£190	Ottoman Bank	£200	...	Q110%	2.8	5.8	6.1
55	39	Rea Bros. Group	43	...	0.5	3.4	1.6	20.6
200	155	Rothschild (J) Hldgs.	173	–3	9.5	3.6	7.3	5.0
227	149	Royal Bk. Scotland	163	.....	7.2	3.8	6.0	5.6
795	424	Saitama Bank Y50.	502	+10	Q13%	4.7	0.5	41.4
£12¼	806	Sanwa Bank Y50	836	+14	Q16%	8.3	0.4	31.7
1805	1425	Schroders £1	1425	....	25.0	5.9	2.3	10.6
1425	1075	Do. £1 N/V	1075	.....	25.0	5.9	3.1	8.3
£25¼	£20⅞	Sec. Pacific $10	£23⅛	+⅞	Q$1.96	–	5.1	–
616	468	Standard Chartd. £1	468	–18	35.0	1.4	10.0	(8.8)
£16¼	£8⅞	Sumitomo Bank Y50	£9⅞	–⅛	Q16%	7.5	0.3	43.5
£11	£6⅛	Sumitomo Tst & Bk Y50	£7⅛	+⅛	Q16%	8.1	0.4	28.0
147	121	TSB	129	–1	5.8	2.8	6.0	8.3
175	126	TSB Bank Chnel Is'l	140	–1	6.7	3.5	4.8	7.0
£11¼	£5⅞	Tokai Bank Y50	£6½	+⅛	Q16%	4.1	0.5	49.9
920	605	Toyo Tst & Bk Y50	681	–1	Q15.2%	6.9	0.4	32.7
611	532	Union Discount £1	535	...	33.0	–	8.2	–
525	398	Warburg (S.G.)	400	–6	12.5	–	4.1	–
180	133	Do 6pc Cnv Prf.	138	+1	6%	–	5.8	–
279	231	Westpac $A1	232	–1	Q52.5c	1.5	10.2	6.4
420	378	Wintrust 20p	378	.....	7.8	–	2.8	–
969	574	Yasuda Tst & Bk. Y50	696	+4	Q17%	9.3	0.5	22.2

Hire Purchase, Leasing, etc.

1990 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
355	173	Anglo Grp. 10p	193	+5	5.0	4.1	3.5	7.5
£128½	£76½	Do. 9½pc 1999	£76½	–4	Q9½%	–	12.4	–
175	130	CLF Yeoman 50p	135	.....	Q4.6%	3.4	7.7	4.2
71	61	Cambridge Grp Ir5p	63	.....	Q7½%	♦	0.5	♦
55	34	Capital Leasing Ir.10p	34	–5	Q1.2%	3.5	3.3	8.0
68	50	Cattle's (Hdgs) 10p	52	...	3.58	4	9.2	♦
408	367	Prov. Financial	383	.....	20.5	2.0	7.1	9.2
235	210	Reflex Invs. Ir5p	210	....	Q34.6%	6.6	0.8	24.4
225	199	Secure Trust Grp. 1p	214	.....	8.5	2.4	5.3	10.6
210	178	Woodchester IR20p	202	.....	Q16.7%	5.9	1.6	14.3

BEERS, WINES & SPIRITS

1990 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
519	408	Allied-Lyons	424	+1	15.0	2.4	4.7	10.0
£24⅝	£20½	Anheuser-Busch $1.	£23⅛	–⅛	72c	–	1.6	–
1069	895	Bass	973	+12	28.2	3.1	3.9	11.1
170	131	Boddington	141	.....	5.1	♦	4.8	♦
199	163	Bulmer (H.P.) 5p	164	.....	6.95	1.4	5.7	16.1
227	202	Burtonwood Brewery	203	.....	3.55	1.5	2.3	22.8
400	302	Clark (Matthew)	302	.....	13.0	2.8	5.7	8.4
286	169	Devenish (J.A.) 5p	172	+3	4.65	3.1	3.6	10.5
225	120	Do 4.5pc Cv 2ndPf	120	–3	4½%	–	5.0	–
167	123	Eldridge Pope "A" 50p	124	.....	4.1	2.3	4.4	11.8
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS – Contd

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

For EMC see TRANSPORT

ELECTRICALS – Contd

[illegible]

ENGINEERING

[illegible]

ENGINEERING – Contd

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS (Miscel.) – Contd

[illegible]

INDUSTRIALS (Miscel.) – Contd.

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

[illegible]

Commercial Vehicles

[illegible]

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MOTORS, AIRCRAFT TRADES — Contd

Components

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
458	420	Abbey Panels	453	.....	3.5	10.8	1.0	12.0
225	203	Airflow Streamlines y	219	.....	6.0	4.3	3.8	8.5
190	145	Bostrom 5p y	158	.....	5.75	3.1	5.1	6.8
266	191	Dowty 50p	218	.....	18.0	2.3	5.1	11.0
239	155	FR Group	164	.....	6.37	◆	5.3	◆
135	63	Kwik-Fit Hldgs. 10p	64	−1	2.4	1.7	5.0	16.1
694	568	Lucas Inds. £1	591	−20	25.0	3.0	5.6	6.7
16	9	Spice 5p y	9	.....	1.2	0.4	‡	69.0

Garages and Distributors

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
28	19	Alexanders 10p y	20	−1	1.0	3.0	6.7	6.0
135	110	Appleyard 10p	111	−1	7.8	2.4	9.4	5.2
110	75	Bletchley Motor 20p y	85	.....	7.5	1.9	12.3	5.8
568	508	Caffyns 50p	508	−2	11.5	0.4	3.0	−
121	103	Central Motor Auctns. y	103	.....	3.25	3.0	4.2	10.4
61	28	Cook (D.C.) Hldgs. y	28	−3	1.33	−	−	−
89	33	Cowie (T.) 5p	37	+3	4.2	2.2	15.1	3.5
95	68	Dagenham Motors 10p y	73	+1	5.25	2.8	9.6	5.0
98	81	Davenport Vernon 10p y	93	.....	3.5	3.6	5.0	6.5
29	16	Equity & Gen 5p	20	.....	1.5	1.7	10.0	(7.1)
247	173	Evans Halshaw	173	−12	11.25	2.4	8.7	6.3
113	85	Gates (F.G.)	92	.....	2.75	2.6	4.0	12.8
161	113	Gowrings 10p y	113	.....	5.63	◆	6.6	◆
167	118	Hartwell	140	.....	3.1	2.8	3.0	16.3
81	71	Jacks Wm. y	71	.....	2.0	1.0	3.8	35.6
118	85	Jessups y	88	.....	7.0	2.5	10.9	4.9
181	74	Lancaster	175	.....	4.5	2.7	3.4	14.6
297	233	Lex Service	237	+2	15.3	2.6	8.6	6.0
147	102	Lookers y	109	−2	6.2	4.0	7.9	4.1
133	88	Pendragon y	110	−1	W4.25	◆	5.2	◆
178	141	Perry Group	141	−2	9.0	2.1	8.9	7.1
133	111	Quicks Group 10p y	111	−2	6.0	◆	7.2	◆
26½	17½	Trimoco 10p	17½	.....	1.4	4.7	10.7	2.6
£222	£160	Do. 11½pc Ln '96	£162½	−5	Q11.5	−	7.1	−
83	68	Vardy (Reg) 10p y	70	.....	4.5	2.2	6.4	7.1
793	515	Western Motor	789	+3	18.0	◆	3.1	◆

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY — Contd

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRANSPORT

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS, FINANCE, LAND — Contd

TRUSTS, FINANCE, LAND — Contd

Finance, Land, etc

WATER

OIL AND GAS

OIL AND GAS — Contd

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

Tins

MINES — Contd

Miscellaneous

THIRD MARKET

NOTES

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p y	74	.....
Craig & Rose £1 y	610	.....
Finlay Pkg. 5p y	55	.....
Holt (Jos) 25p y	1310	+2

IRISH

Cap. 8½% Ln. 1991	£98	.....
9pc Cap Ln. 1996	£94¼	.....
Fix. 13% 97/02	£112	.....
Arnotts	408	.....
Carrol (P.J.) y	150	.....
Hall (R. & H.)	175	.....
Helton Hldgs. y	72	+2
IRG	200	.....
United Drug	163	−2

TRADITIONAL OPTIONS

3-month call rates

Industrials	p
Allied-Lyons	39
Amstrad	5½
Astec (BSR)	5¼
BAT	83
BOC Grp.	45
BTR	36
Barclays	49
Blue Circle	19
Boots	23
Bowaters	38
Brit Aerospace	42
British Steel	9
Brit. Telecom	25
Cadburys	27
Charter Cons.	40
Comm Union	40
Courtaulds	24
Eurotunnel	60
FKI	7
FNFC	21
Gen Accident	90
GEC	18
Glaxo	56
Grand Met.	45
Guardian	19
GKN	33
Hanson	18
Hawker Sidd.	55
ICI	85
Ladbroke	25
Legal & Gen.	34
Lex Service	26
Lloyds Bank	22
Lucas Inds	52
Marks & Spencer	17
Midland Bk.	27
Nat West Bk.	29
P & O Dfd.	50
Polly Peck	37
Racal Elect.	19
RHM	35
Rank Org Ord.	68
Reed Intnl	33
STC	20
Sears	9½
SmKl. Beecham A	46
TI	38
TSB	11
Tesco	17
Thorn EMI	61
Trust Houses	22
T&N	17
Unilever	56
Vickers	18
Wellcome	68

Property	
Brit Land	32
Control Secs.	5
Land Securities	44
MEPC	44
Mountleigh	14

Oils	
Aviva Petlm.	5½
Brit Petroleum	28
Burmah Oil	52
Conroy Petlm.	12
Gaelic Res.	4½
Premier	10
Shell	37
Tuskar Res.	10
Ultramar	31

Mines	
Lonrho	20
RTZ	45

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £1050 per annum for each security.

FT UNIT TRUST INFORMATION SERVICE

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AUTHORISED UNIT TRUSTS

Abbey Unit Tst Mngrs (1000)H
80 Holdenhurst Rd, Bournemouth 0345 717373

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
High Income						
American Income	6	49 63	49 63	53 09	+0 6	5 16
Gilts & Fixed Int	6	101.3	101.3	107 5	-0.3	10 23
High Inc Equity	6	124 4	127 8xd	136 0	-0 6	4.67
Worldwide Bond	6	194.1	194.1xd	205.7	+0 7	6 27
Capital Growth						
American Growth	6	183.2	183.2	196.0	+0.2	1.19
Asian Pacific	6	133.5	136 4	145.2	+0.7	0.00
Assets & Earnings	6	145.1	145.1	155.2	+0.9	3.13
Capital Reserve Acc	0	90.40	90 40	90.53	..	6.63
Capital Reserve Inc	0	75 98	75 98	76.09	......	7.89
Comdty & Energy	6	96 89	96.89	103 7	+0.1	0 00
Dividend & Growth	6	44.58	45 58	48 49	..	4.64
1992 Enterprise	6	59.51	59.51	63.65	-0.06	2.11
Euro Capital Acc	6	106.9	106.9	114 4	+0.7	0 83
Euro Capital Inc	6	102 6	102 6xd	109 8	+0 6	0.87
General	6	162.7	162.7	174.1	-0.2	2.87
International	6	59.18	59 95	63.78	+0.16	0.78
Japan	6	96.65	96.65	103.4	+0 8	0 00
Mastertrust	6	87.95	87.55	93 64	+0.23	1.58
UK Growth Acc	6	164 1	164 1	175 6	+0 8	1.85
UK Growth Dist	6	107 2	107 2xd	114.7	+0.4	2.82
US Emerging Cos	6	55.18	55 18	59 02	+0.17	0.00
Income & Growth	6	278 1	278 1xd	297 5	-0 1	3 49
Ethical	6	44.54	44 54	47 64	-0.02	2.10

Abtrust Management Ltd (1200)H
10 Queens Terrace, Aberdeen AB9 1QJ 0800 833580

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Amer Inc & Growth	5¼	31.94	31 94xd	34.09	+0.17	2.24
European	5¼	94.95	95 02	101 4	+0.42	0.00
European Income	5¼	90 93	90.93	97 02	+0.44	1.45
Exempt	1	702.2	702 2xd	724.3	+9 90	1.43
Exempt Income	3¼	163 8	163 8	173 6	......	5 05
Exempt American	3¼	376.3	376.3xd	394.3	+2.60	1.56
Exempt Pacific	3¼	257.4	257.4	269 6	+0.30	0.00
Extra Income	5¼	39.94	39.94	42.63	......	6.03
F East Emerg Ecos	5¼	61.86	62.28	66 71	+0.18	0.01
Fixed Int Tst	5	126 8	126.8xd	135.4	+0.6	0.62
Do Accum	5	198 8	198 8xd	212.3	+0.80	1.48
Gilt & Fixed Int	5¼	16.49	16 88	18.02	+0.02	13.62
Income & Growth	5¼	63 70	63.70xd	68 00	-0 17	4 02

Brown Shipley & Co Ltd – Contd.

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
North American	6	62 60	62.60	66.67	+0.27	0.38
Orient ‡	6	115 2	116.3xd	124.2	+0.90	–
Recovery	6	42.28	42.28	45.03	+0.13	3.80
Smaller Cos Acc	6	230.9	230.9xd	247 1	-0.50	–
Smaller Cos Inc	6	141 4	141.4xd	151.3	-0.20	1.28

Brycourt Unit Tst Mgmt Ltd (1400)F
Hesketh Hse, Portman Sq, W1H 0JR 071-935 6382

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Income Growth	1	177.4	177.4xd	184.0	–	5.28

Buckmaster Mangmt Co Ltd (1200)H
15 St Botolph Street, London EC3A 7JJ 071-247 4542

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Emerging Grwth	5¼	55 45	55 45	58 78	+0.06	3.28
(Accum Units)	5¼	57.42	57 42	60.87	+0.07	3 28
Fellowship Tst	5¼	60 65	61.37	65 29	+0.08	3.25
(Accum Units)	5¼	63.41	64 16	68 26	+0.08	3 25
General Inc	5¼	273 0	273.0	289.4	+0 8	3.95
(Accum Units)	5¼	467.9	467.9	496.0	+1.3	3.95
Income	5¼	143.1	145 7	154 6	+0.2	4.70
(Accum Units)	5¼	290.6	295.8	313 8	+0 4	4.70
International	5¼	108.9	108.9	115 4	.....	1.00
(Accum Units)	5¼	150.5	150.5	159.5	-0.1	1.00
Smaller Co's	5¼	93.34	93 34	98.94	-0.16	2.11
(Accum Units)	5¼	103.5	103.5	109.7	-0.2	2.11
Inv Portfolio	3	51 27	51.27	53 06	+0.01	3 50
(Accum Units)	3	53 75	53.75	55.63	+0.01	3.50
High Income Port	3	42.82	43 63	45 21	+0 02	4.77

Burrage Unit Tst Mangmt Ltd (0905)F
117 Fenchurch St, London EC3M 5AL 071-480 7216

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Short Dated Gilt	1¼	55.60	55 60	56.42	.....	12.93

CCF Foster Braithwaite UT Mngt (1100)F
1 White Hart Yard, London SE1 1NX 071-407 5966

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
CCF Sel High Inc Eqty	5¼	45.15	45 95	48.89	-0.13	5.5
CCF Sel Intl Grwth	5¼	49 15	49.15	52.83	+3 17	1.42
CCF Sel Inv Tst	5¼	44 69	45.88	48.81	-0 08	2.0
CCF Sel UK Sm Co's	5¼	43.52	45 01	47.89	+0.10	1.00

CCL Unit Trusts Ltd (1400)F
74 Shepherds Bush Green, W12 8SD 081-740 7070

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
UK General Tst	5¼	51 27	52.36	55 70	+0.48	2 86
Global Tst	5¼	46.02	46.52	49 48	+0 02	0.35
Recovery Tst	5¼	43.28	44.44xd	47.27	+1.36	1.92

CIBC Unit Tst Managers plc (1200)H
Cottons Ctr, Cottons Lane, Ldn SE1 2QL 071 234 6000

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Growth Fd Acc	5	108.7	110 1xd	116.1	......	5.52

CIS Unit Managers Ltd (1000)F
PO Box 105, Manchester M60 0AH 061 837 5060

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
UK Growth	6	95 79	97.29	103.5	+0 1	2.93
UK Income	6	94.84	96 63xd	102.8	-0.3	6.23

CS Fund Managers Limited (1000)H

[illegible]

Merlin Jupiter Unit Tst Mgrs Ltd (0905)F
197 Knightsbridge, London SW7 1RB 071-581 3020

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
American Cap	5	102.8	105.4	112.1	-0.2	0.90
Income	5	87.51	88.13	93 75	+0.29	4.52
Resources & General	5	111.9	113.4	120.6	+0.6	2.67
Special Sits	5	31.98	33.10	35.21	-0.18	3.81
International	5	52.92	53.97	57 41	+1.39	3.01
Ecology	5	57.15	58.39xd	62.11	+0.27	1.94

Pearl Unit Trusts Ltd (1000)H
PO Box 500, Thorpe Wood, Peterborough PE3 6GD
Dealing: 0800 626577 Enquiries: 0733 67767

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Growth	5	107.4	109.7xd	115.4	+0.3	3.67
(Accum Units)	5	176.4	180.2	189.7	+0.5	3.67
Income	6	164.8	164.8xd	175.3	-0.2	4.86
Equity	6	168.3	171.3	182.2	......	3.42
(Accum Units)	6	317.4	323.1	343.6	-0.1	3.42
Intl Equity	6	173.9	176.0	187.2	+0 6	2.04
(Accum Units)	6	182.9	185.0	196.8	+0.6	2.04
UK Income	6	45.33	46.05	48.98	-0.2	4.92
UK Intl 25	6	46.18	46 79	49.77	-0.02	3.03

GUIDE TO UNIT TRUST PRICING

INITIAL CHARGES
These represent the marketing, administrative and other costs which have to be paid by new purchasers. These charges are included in the price when the customer buys units.

OFFER PRICE
The price at which units may be bought.

BID PRICE
The price at which units may be sold

CANCELLATION PRICE
The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, unit trust managers quote a much narrower spread. As a result, the bid price is often set well above the minimum permissible price which is called the cancellation price in the table. However the bid price might be moved to the cancellation price in circumstances in which there is a large excess of sellers of units over buyers.

TIME
The time shown alongside the fund manager's name is the time at which the unit trusts' daily dealing prices are normally set unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: ♦ - 0001 to 1100 hours; ♦ - 1101 to 1400 hours; ♦ - 1401 to 1700 hours; ♦ - 1701 to midnight.

HISTORIC PRICING
The letter H denotes that the managers will deal on a historic price basis. This means that investors can obtain a firm quotation at the time of dealing. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis.

FORWARD PRICING
The letter F denotes that prices are set on a forward basis so that investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper show the prices at which deals were carried out yesterday.

SCHEME PARTICULARS AND REPORTS
The most recent report and scheme particulars can be obtained free of charge from fund managers. Other explanatory notes contained in last column of the FT Unit Trust Information pages.

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INSURANCES

OTHER UK UNIT TRUSTS

Continued on next page

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National Financial Management Corp PLC
72 Gatehouse Rd, Aylesbury, HP19 3XJ 0296 395539

	Bid Price	Offer Price	+ or -	Yield Gross
Life Funds				
Managed Cautionary	99.0	104.3	-0.9	-
Managed Growth	136.5	143.7	-0.4	-
Managed Opportunity	139.1	146.5	-0.1	-
NFMC Target Financial	95.9	101.0	...	-
Pension Funds				
Managed Cautionary	104.6	110.2	-0.2	-
Managed Growth	140.5	147.9	-0.3	-
Managed Opportunity	141.3	148.8	-0.4	-
NFMC Target Mngd Pen	1496.9	1575.7	+24.4	-

National Mutual Life
The Priory, Priory Pk, Hitchin, SG5 2DW 0462 422422

	Bid Price	Offer Price	+ or -	Yield Gross
Managed Fund	216.4	227.8	...	-
Managed Prospect Fund	181.6	191.2	...	-
Pens Managed	283.0	297.9	...	-
Pens UK Equity	327.2	344.5	...	-
Pens Overseas Equity	401.2	422.4	...	-
Pens Property	146.9	154.7	...	-
Pens Fixed Interest	164.9	173.6	...	-
Pens Index Linked	144.2	151.8	...	-
Pens Deposit	195.5	205.8	...	-
Harvester & P.R.P.				
UK Equity	143.1	150.7	...	-
Overseas Equity	143.7	151.3	...	-
Fixed Interest	112.7	118.7	...	-
Property	122.3	128.8	...	-
Index Linked	131.1	138.0	...	-
Deposit	135.7	142.9	...	-
Managed	142.6	150.2	...	-
With Profits	138.2	145.6	...	-

National Provident Institution
48 Gracechurch St, London EC3P 3HH 071-623 4200

	Bid Price	Offer Price	+ or -	Yield Gross
Managed	329.7	347.1	+0.4	-
UK Equity	411.3	433.0	-0.1	-
Overseas Eq	353.1	371.7	+1.8	-
American	263.0	276.9	+1.9	-
Far East	369.0	388.5	+2.0	-
Property	215.3	226.7	-0.2	-
Fixed Int	209.0	220.1	-0.7	-
Indexed Gilt	137.7	145.0	-0.2	-
Deposit	163.3	171.9		-
Pension Fund (Accum Units)				

Providence Capital Life Assc. Co Ltd – Contd.

UK Managed Initial
Property Initial
Money Initial
Special Market Initial
Japan Equity Initial
North American Initial
Pacific Initial
Technology Initial
Nat Resources Initial
European Initial
Residential Prop Init
Swiss Equities Initial
Hong Kong Initial
UK High Inc Eq Init
Int Fixed Interest Init
Int Managed Init
HIP Managed Init
HIP Managed II Initial
Broker Funds
High Performance
Townhill Mngd Fd Acc
YRA Executive Fd
£ Global Growth Acc
£ High Income Money Acc
IM Balanced
H.F. Speculator Fd
PEP Acorn II
PEP Cautionary
AAFS Int Man Fund
Andrews-Green Inv Port
Individual Pension Funds
UK Equity Acc
UK Fixed Interest Acc
Intl Equities Acc
UK Managed Acc
Property Acc
Money Acc
Special Market Acc
Japan Equity Acc
North American Acc
Pacific Acc
Technology Acc
Natural Resources Acc
European Acc
Residential Prop Acc

[illegible]

OFFSHORE AND OVERSEAS

GUERNSEY (SIB RECOGNISED)

[illegible]

MANAGEMENT SERVICES

[illegible]

ISLE OF MAN (SIB RECOGNISED)

[illegible]

LUXEMBOURG (SIB RECOGNISED)

[illegible]

JERSEY (SIB RECOGNISED)

[illegible]

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Ivory & Sime (Luxembourg) SA
13 rue Goethe L-1637 Luxembourg 010 352 4046461

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Atlas Fund						
Global Cap Portfolio		$-	2.439	2.587	[illegible]	0.25
United States Portfolio		$-	2.478	2.628	[illegible]	0.55
[illegible] Portfolio		£-	1.037	1.100	[illegible]	11.00
[illegible] Europe Portfolio		DM-	4.581	4.867	[illegible]	0.45
Europrica Portfolio		£-	1.141	1.209	[illegible]	-
Japan Portfolio		£-	0.791	0.840	[illegible]	-
Pacific Portfolio		$-	2.602	2.759	[illegible]	1.00
Gold Portfolio		$-	1.966	2.085	[illegible]	0.35
UK Growth of Income		£-	1.125	1.194	[illegible]	1.90
Sterling Gilt Portfolio		£-	0.888	0.943	[illegible]	5.0
Global Bond Portfolio		$-	1.895	2.009	[illegible]	9.50
Dollar Portfolio		$-	2.078	2.079	[illegible]	7.50
Yen Portfolio		£-	0.873	0.874	[illegible]	2.20
Sterling Portfolio		£-	1.052	1.053	[illegible]	6.40

Midland International Circuit Fund SICAV
Midland Bank Fund Managers (Jersey) Ltd
PO Box 26, St Helier, Jersey 0534 37788

		Bid Price	Offer Price	+ or -	Yield
UK Growth	£-	0.977	1.036	[illegible]	-
European Growth	£-	1.117	1.185	[illegible]	-
Japan Growth	£-	1.024	1.086	.....	-
Pacific Growth	£-	0.976	1.036	[illegible]	-
Nth American Growth	£-	1.007	1.069	[illegible]	-
UK Fixed Interest	£-	1.024	1.086	[illegible]	-
Multicurrency Bond	£-	0.997	1.058	[illegible]	-
UK Stlg Liquidity	£-	1.027	1.090	[illegible]	-
US$ Liquidity	$-	1.010	1.072	[illegible]	-

Morgan Grenfell UT Mgrs/Deutsche Bank
Representative for DM, Luxembourg
20 Finsbury Circus, EC2M 7UT 071-826 0826

		Bid Price	Offer Price	+ or -	Yield
Eurorenta	DM-	80.31	82.80	----	-
DM Reserve	DM-	116.20	117.40	----	-
Dollarrenta	$-	48.55	50.00	----	-

Nomura Global Fund
Nomura Intl, Nomura Hse, 24 Monument St London EC3R 8AJ 071-283 8811

	Bid Price	Offer Price	+ or -	Yield
Asia Pacific P'folio	$863		(z)	-

Royal Trust Assetmix Fund
41 Avenue de la Gare L-1611, Luxembourg 352 489 061

Equity Funds

[illegible]

NM Financial Mgmt Intl Ltd—Contd.

	Bid Price	Offer Price	+ or -	Yield Gross
Gold Fund	£0.683	0.726	+0.017	0.00
Hong Kong Fund	£1.772	1.885	+0.029	5.98
International Fund	£1.368	1.455	+0.008	0.35
Japanese Fund	£2.617	2.784	+0.029	0.00
Japan Smaller Cos	£4.994	5.312	+0.052	0.00
Singapore & Malaysian	£1.308	1.404	+0.021	0.00
Dollar Fixed Interest	$0.957	1.010	+0.002	7.04
Sterling Fixed Int	£0.800	0.851	-0.006	12.29
Deutschmark Currency		DM4.983	+0.003	2.36
Dollar Currency		$0.985	+0.002	4.91
Sterling Currency		£0.987	.....	10.48
Yen Currency		Y198.5	+0.200	1.40
Managed Currency	£0.943	1.003	+0.004	6.94

Nikko Capital Mngt (Europe) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Japan Index Fund	Y3.388	3.421	----	-
New Generation Fd. $	$19.91	20.12	----	-
Japan Index Alpha	Y9.952	10.102	----	-
Jap Sector Rotation	Y8.702	8.832	----	-

Stronghold Asset Mngmt (Guernsey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Tech and Comm	£12.81	13.59	+0.25	-
Pacific Basin Fd	$95.41	101.42	---	-
Western European	$18.06	19.40	+0.69	-

Tyndall International (Guernsey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Capital Defender	$1.29	1.37	.....	-
Hi Yield Bond	62.8	66.1	.....	13.30
Internat. Spec. Sits	47.5	50.0	+0.1	-
Mannamachi Fd	78.6	82.6	+0.6	-

U.S. Treasury Securities Fund Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Short Term Shares	$705.48		.....	-
Fixed Income Shares	$809.32		.....	-

Wellington Fd Mngrs (Guernsey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Intnl Growth Fd	$13.34	14.00	.....	-

Yamaichi Capital Mangmt (Guernsey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Japan Mega Growth		$11.69	+0.29	-
Yamaichi ISS Fund		$8.283	+0.11	-
Yamaichi CB Plus Fund		$8.82	+0.15	-
Thai Inv Fund		$12.24	+0.14	-

JERSEY (**)

[illegible]

Scimitar Worldwide Selection Fd Ltd

Equity Class Funds

	Bid Price
American	$12.3[illegible]
Asian Smaller Mkts	$13.0[illegible]
European	$13.3[illegible]
Gold	$4.49
Japanese	$28.7[illegible]
Pacific Basin	$19.4[illegible]
Utd Kingdom	£8.51
Worldwide	$15.2[illegible]
Bond Class Funds	
US Dollar	$8.81
Sterling	£9.14
Ecu	Ecu9.[illegible]
Worldwide	$9.16

Scrimgeour Kemp-Gee [illegible]

	Bid Price
SKG Capital Fund	481.6
SKG Income Fund	78.1
Gilt Bond	184.2

TSB Trust Funds (CI)

	Bid Price
TSB Jsy Equity Fd	40.2
TSB G'sey Equity Fd	40.2
TSB Island Pension	251.2
TSB Gilt Fd (Jsy) Ltd	88.88

Target Internat. Manag[illegible]

	Bid Price
Ivory Growth Fund	£12.5[illegible]
Target Global Unit Tst	£9.46
[illegible]	£8.60
Target IPS Unly Port	£11.6[illegible]
International Bond Fund	129.00
[illegible]	£9.70

Top Brand Fund Intl-SI[illegible]

	Bid Price
Top Brand Fd Intl	$14.14

Tyndall International (J[illegible]

	Bid Price
Wall Street	247.6
Far Eastern	583.5
1992 Fd	313.4
British Lion	215.1
[illegible] Acc Units	681.9
Gilt Fd	105.2
(Accum Shares)	480.1

[illegible]

ISLE OF MAN (**)

[illegible]

LUXEMBOURG (**)

[illegible]

OTHER OFFSHORE FUNDS

[illegible]

OFFSHORE INSURANCES

[illegible]

SWITZERLAND (SIB RECOGNISED)

[illegible]

CANADA (SIB RECOGNISED)

[illegible]

IRELAND (SIB RECOGNISED)

[illegible]

GUERNSEY (**)

[illegible]

[illegible] Management Corpn—Contd.

	Bid Price	Offer Price	+ or -	Yield Gross
[illegible]	$159.80			-
[illegible]	$490.86			-
[illegible]	$99.62			-
[illegible]	$102.91		+0.06	-
[illegible]	£105.35		+0.12	-
[illegible]	SFr103.20		+0.07	-
[illegible]	DM102.62		+0.06	-
[illegible]	Y10,207		+5	-
[illegible]	$100.56			-
[illegible]	$98.42			-
[illegible]	$499.94			-
[illegible]	$124.17			-
[illegible]	$149.74			-
[illegible]	$257.67			-
[illegible]	SFr89.57			-
[illegible]	$191.43			-
[illegible]	$160.83			-
[illegible]	$328.78			-
[illegible]	96.95			-
[illegible]	$142.81		-0.62	-
[illegible]	$439.29			-
[illegible]	$217.77			-
[illegible]	$107.53			-

[illegible]

North Star Fund Managers (Cayman) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Invest Fund	DKr267.0	268.0		-
Low Risk Fund	DKr209.0	210.0		-
High Perf. Fund	DKr253.0	254.0		-
Bond Fund	DKr160.0	161.0		-
Second Low Risk Fd	DKr171.0	172.0		-
Second High Perform Fd	DKr202.0	203.0		-
Mixed Intl Fd	DKr141.0	142.0		-
Invest Fd (Cayman)	DKr119.0	120.0		-
High Perf Fd (Cayman)	DKr128.0	129.0		-
Bond Fd (Cayman)	DKr119.0	120.0		-
Mixed Fd (Cayman)	DKr112.0	113.0		-
High Security Fd	DKr134.0	135.0		-
High Income Fd	[illegible]	9.4		-

Optima Fund Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV May 4	$12.53			-

Orbis Investment Management Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Orbis Global Eqty	$9.80	10.30		-
Orbis Optimal Eqty	$11.44	12.02		-
Orbis Leveraged Eqty	$11.65	12.33		-

* Prices on May 3 Next Pricing May 10 Weekly Pricing

Orbitex Bahamas Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Orbitex Growth Fund	$5.6230	6.1851		-

[illegible]

US Pacific Stock Fund

	Bid Price	Offer Price	+ or -	Yield Gross
NAV May 10	$16.71			-

Unico Financial Services SA Lux
DG Investment Bank Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Unico Invest. Fund	DM70.44	72.60		3.00
Unico Equity Fund	DM64.14	66.06		3.00

Union-Investment-Gesellschaft GmbH

	Bid Price	Offer Price	+ or -	Yield Gross
Unifonds	DM38.53	40.50	-0.30	-
Unirak	DM82.16	86.30	-0.10	-
Unirenta	DM34.56	35.60		-

Viking Fund—SICAV

‡NAV May 9 Ecu80.07

Warburg Inv Mngmt (Isle of Man) Ltd
Mercury 90-10 Trust (Sicav)

	Bid Price	Offer Price	+ or -	Yield Gross
Dollar Fd BOPUPs	$10.14	10.15	...	-
Dollar Fd OPUPs	$10.30	10.35		-
Sterling Fd BOPUPs	£10.09	10.10		-
Sterling Fd OPUPs	£11.34	11.40		-
DM Fd BOPUPs	DM9.94	9.95		-
DM Fd OPUPs	DM9.80	9.85		-
Yen Fd BOPUPs	57.27	7.28		-
Yen Fd OPUPs	[illegible]	[illegible]		-

[illegible]

Money Market Trust Funds

[illegible]

Money Market Bank Accounts

[illegible]

UNIT TRUST NOTES

[illegible]

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Strong demand for Swiss franc

THE SWISS franc continued its recent advance in otherwise fairly quiet foreign exchange trading yesterday. EuroSwiss interest rates are higher than the equivalent rates on D-Marks, dollars and Japanese yen. This has increased the attraction of the Swiss franc at a time when Japanese demand for the currency is strong. In the past Japanese companies were attracted by low Swiss interest rates to borrow via Swiss franc denominated bonds. Many of these must now be redeemed, forcing the borrowers to buy Swiss francs.

Volume of trading in the Swiss currency was heavy yesterday, notably against the D-Mark. At last night's close the Swiss franc had advanced to its highest level for about 15 months at DM1.1735, compared with DM1.1665 on Wednesday. It also continued to climb against the yen, rising to Y112.45 from Y111.45.

The D-Mark was firm against most other European currencies, despite losing ground to the Swiss franc. Within the European Monetary System the D-Mark advanced against the French franc and the Italian lira.

The franc opened firmer in Paris after the French Government survived a censure motion in Parliament on Wednesday, but then weakened. Dealers said the Bank of France checked prices in the market, but there was no evidence of intervention. At the London close the D-Mark had risen to FFr3.3725 from FFr3.3695. It also improved to L736.35 from L735.55 in terms of the lira.

The Italian currency remained around its upper divergence limit within the EMS, prompting the Bank of Italy to buy French francs and European Currency Units against the lira at the Milan fixing.

The dollar traded nervously, on speculation that moves to cut the US budget deficit could lead to lower interest rates. Lack of economic news kept the currency in a fairly narrow range however, and it finished in London showing small mixed changes. The dollar fell to SFr1.3955 from SFr1.4040 against the very strong Swiss franc, but held steady at DM1.6375, while rising to Y156.95 from Y156.45 and to FFr5.5225 from FFr5.5175. On Bank of England figures the dollars index rose to 67.3 from 67.2.

Sterling was weaker overall, but remained on the sidelines, as the market waited for today's publication of the April UK retail price index. The pound fell 20 points to $1.6765. It also declined to DM2.7450 from DM2.7475; to SFr2.3400 from SFr2.3575; and to FFr9.2575 from FFr9.2600, but rose to Y263.25 from Y262.50. According to the Bank of England sterling's index shed 0.3 to 87.2.

We regret that the Dollar Spot - Forward Against the Dollar table did not appear as usual in some editions of yesterday's Financial Times because of technical problems. Yesterday's table is reproduced on this page today.

£ IN NEW YORK

May 10	Latest	Previous Close
£ Spot	1.6775-1.6785	1.6778-1.6788
1 month	0.90-0.89pm	0.95-0.94pm
3 months	2.61-2.58pm	2.81-2.79pm
12 months	9.10-9.00pm	9.50-9.43pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	May 10	Previous
8.30 am	87.2	87.6
9.00 am	87.2	87.6
10.00 am	87.2	87.6
11.00 am	87.2	87.6
Noon	87.3	87.6
1.00 pm	87.2	87.6
2.00 pm	87.2	87.5
3.00 pm	87.2	87.5
4.00 pm	87.2	87.5

CURRENCY RATES

May.10	Bank rate %	Special* Drawing Rights	European † Currency Unit
Sterling	-	0.505474	0.744249
U.S Dollar	7	1.32048	1.24587
Canadian $	13.32	1.53981	1.45256
Austrian Sch.	6½	15.2674	14.3761
Belgian Franc	10¼	44.9029	42.2818
Danish Krone	10½	8.26488	7.79792
Deutsche Mark	6.00	2.16902	2.04223
Neth.Guilder	7.00	2.44223	2.29714
French Franc	10¼	7.31150	6.88469
Italian Lira	13½	1595.51	1503.02
Japanese Yen	5¼	207.645	195.789
Norway Krone	8	8.45503	7.98604
Spanish Peseta	-	135.970	128.337
Swedish Krona	12	7.93873	7.49766
Swiss Franc	6.00	1.85858	1.73737
Greek Drach.	20½	213.918	201.570
Irish Punt	-	0.808721	0.762002

† European Commission Calculations.
* All SDR rates are for May.9

CURRENCY MOVEMENTS

May 10	Bank of England Index	Morgan** Guaranty Changes %
Sterling	87.2	-24.2
U.S Dollar	67.3	-10.9
Canadian Dollar	104.4	+1.4
Austrian Schilling	110.2	+12.1
Belgian Franc	111.7	-2.1
Danish Krone	111.5	+5.6
Deutsche Mark	119.9	+25.3
Swiss Franc	114.7	+22.2
Guilder	115.8	+17.1
French Franc	105.3	-11.6
Lira	102.0	-17.8
Yen	[illegible]	[illegible]

[illegible]

OTHER CURRENCIES

[illegible]

EURO-CURRENCY INTEREST RATES

May 10	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	15-14¾	15⅛-14⅞	15¼-15⅛	15¼-15⅛	15⅜-15¼	15⅜-15¼
US Dollar	8¼-8	8¼-8⅛	8⅜-8¼	8½-8⅜	8⅝-8½	9-8¾
Can. Dollar	13¼-13	13¼-13	13⅛-12⅞	13⅜-13⅛	13⅜-13¼	13½-13¼
D. Guilder	8¼-7¾	8¼-7¾	8⅜-8¼	8⅝-8½	8¾-8⅝	9-8¾
Sw. Franc	8⅝-8⅜	8¾-8½	8⅞-8¾	8⅞-8¾	8⅞-8¾	8⅞-8¾
Deutschmark	7⅞-7¾	7⅞-7¾	7⅞-7¾	8⅛-8	8½-8⅜	8⅞-8¾
Fr. Franc	9⅝-9½	9⅝-9½	9⅝-9½	9¾-9⅝	9⅞-9¾	10⅛-9⅞
Italian Lira	13-11	12¼-11¾	12¼-12⅛	12⅜-11⅞	12¼-11¾	12⅝-12⅜
Belgian Franc	10¼-10⅛	10⅜-10⅛	9⅞-9¾	10-9¾	9⅞-9¾	9⅞-9¾
Yen	7⅛-7	7⅛-7	7¼-7⅛	7⅜-7¼	7⅜-7¼	7½-7⅜
D.Krone	10¾-10½	10¾-10½	10⅝-10⅜	10⅝-10⅜	10⅝-10½	10⅝-10½
Asian $Sing	8⅜-8¼	8½-8¼	8⅝-8½	8¾-8⅝	8¾-8⅝	9⅛-8⅞

Long term Eurodollars: two years 9⅛-9⅞ per cent; three years 9¼-9⅛ per cent; four years 9½-9⅜ per cent; five years 9⅝-9½ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

POUND SPOT- FORWARD AGAINST THE POUND

May.10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.6700 - 1.6775	1.6760 - 1.6770	0.95-0.93cpm	6.73	2.74-2.71pm	6.50
Canada	1.9470 - 1.9540	1.9515 - 1.9525	0.28-0.20cpm	1.48	0.83-0.70pm	1.57
Netherlands	3.08 - 3.09¼	3.08¼ - 3.09¼	1½-1¼cpm	6.55	5-4¾pm	6.39
Belgium	56.60 - 57.05	56.85 - 56.95	30-19cpm	5.16	84-66pm	5.27

[illegible]

Commercial rates taken towards the end of London trading. Six-month forward dollar 5.22-5.17cpm 12 month 9.46-9.36cpm

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

[illegible]

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EMS EUROPEAN CURRENCY UNIT RATES

[illegible]

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

[illegible]

Yen per 1,000: French Fr. per 10: Lira per 1,000 Belgian Fr. per 100

FINANCIAL FUTURES AND OPTIONS

[illegible]

LONDON (LIFFE)

20-YEAR 9% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev.
Jun	80-16	80-30	79-23	80-01
Sep	81-07	81-16	80-16	80-24
Dec				

Estimated volume 28611 (21875)
Previous day's open int. 37708 (37113)

US TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev.
Jun	90-09	90-14	90-03	90-10
Sep	90-04			90-05
Dec				

Estimated volume 1267 (1519)
Previous day's open int. 4622 (4588)

6% NOTIONAL GERMAN GOVT. BOND DM250,000 100ths of 100%

	Close	High	Low	Prev.
Jun	84.13	84.37	83.98	84.04
Sep	83.82	83.96	83.75	83.76
Dec	83.79			83.75

Estimated volume 27753 (44515)
Previous day's open int. 73438 (75600)

6% NOTIONAL LONG TERM JAPANESE GOVT. BOND Y100m 100ths of 100%

	Close	High	Low	Prev.
Jun	93.98	93.98	93.75	94.08
Sep	94.15	94.25	94.08	94.27
Dec				

Estimated volume 184 (216)

[illegible]

Estimated volume 3334 (4571)
Previous day's open int. 23390 (23021)

POUND-$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.6765	1.6671	1.6493	1.6246	1.5824

IMM-STERLING $s per £

	Latest	High	Low	Prev.
Jun	1.6608	1.6638	1.6602	1.6662
Sep	1.6354	1.6360	1.6346	1.6402
Dec	-	-	1.6140	1.6162

CHICAGO

[illegible]

	Open	Close	Change	High	Low	Yield	Open Int
June	90.35	90.22	-0.07	90.37	90.20	9.78	14,705
September	90.36	90.23	-0.06	90.38	90.20	9.78	7,524
December	90.32	90.20	-0.05	90.33	90.20	9.80	2,403
March	-	-	-	-	-	9.80	174

Estimated volume 9,929 Total Open Interest 24,806

CAC-40 FUTURES (MATIF) Stock Index

	Open	Close	Change	High	Low	Open Int
May	2123.0	2124.0	+5.0	2125.0	2099.0	4,583
June	2125.0	2128.5	+5.5	2129.0	2108.0	496
July	2127.0	2127.0	+4.0	2127.0	2127.0	1
September	-	-	-	-	-	10

Estimated volume 4,958 Total Open Interest 5,090

BASE LENDING RATES

	%		%		%
ABN Bank	15	Coutts & Co	15	NatWestminster	15
Adam & Company	15	Cyprus Popular Bk	15	Northern Bank Ltd	15
Allied Trust Bank	15	Dunbar Bank PLC	15	Nykredit Mortgage Bank	15½
Allied Irish Bank	15	Duncan Lawrie	15	Provincial Bank PLC	16
● Henry Ansbacher	15	Equatorial Bank plc	15	Roxburghe G'antee	15½
Associates Cap Corp	15½	Exeter Trust Ltd	15½	Royal Bk of Scotland	15
● B & C Merchant Bank	15	Financial & Gen. Bank	15	Royal Trust Bank	15
Bank of Baroda	15	First National Bank Plc.	16½	● Smith & Williamson Secs.	15
Banco Bilbao Vizcaya	15	● Robert Fleming & Co.	15	Standard Chartered	15
Bank Credit & Comm	15	Robert Fraser & Ptnrs.	15½	TSB	15
Bank of Cyprus	15	Girobank	15	UNIbank Plc	15
Bank of Ireland	15	● Guinness Mahon	15	● United Bk of Kuwait	15
Bank of India	15	HFC Bank plc	15	United Mizrahi Bank	15
Bank of Scotland	15	● Hambros Bank	15	Unity Trust Bank Plc	15
Banque Belge Ltd	15	Hampshire Trust Plc	15½	Western Trust	15
Barclays Bank	15	Heritable & Gen Inv Bnk.	15	Westpac Bank Corp.	15
Benchmark Bank PLC	15	● Hill Samuel	§15	Whiteaway Laidlaw	15
Brit Bk of Mid East	15	C. Hoare & Co.	15	Yorkshire Bank	15
● Brown Shipley	15	Hongkong & Shangh	15		
CL Bank Nederland	15	● Leopold Joseph & Sons	15		
● Charterhouse Bank	15	Lloyds Bank	15		
Citibank NA	15	Meghraj Bank Ltd	15		
City Merchants Bank	15	McDonnell Douglas Bnk.	15		
Clydesdale Bank	15	Midland Bank	15		
Comm. Bk. N. East	15	Mount Banking	15		
Co-operative Bank	*16	Nat Bk. of Kuwait	15		

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DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

May.9	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.6780 - 1.6795	1.6780 - 1.6790	0.95-0.93cpm	6.72	2.82-2.79pm	6.68
Ireland†	1.6295 - 1.6370	1.6360 - 1.6370	0.43-0.38cpm	3.05	1.18-1.08pm	2.84
Canada	1.1630 - 1.1670	1.1665 - 1.1665	0.47-0.50cdis	-5.27	1.40-1.44dis	-4.98
Netherlands	1.8400 - 1.8510	1.8415 - 1.8425	0.01-0.03cdis	-0.14	0.01-0.03dis	-0.12
Belgium	33.90 - 34.05	33.95 - 34.05	1.50-7.50cdis	-1.45	7.00-17.00dis	-1.41
Denmark	6.24¾ - 6.27	6.25 - 6.25½	1.20-1.50oredis	-2.53	3.20-3.90dis	-2.21
W. Germany	1.6350 - 1.6500	1.6370 - 1.6380	0.06-0.04pfpm	0.47	0.13-0.10pm	0.27
Portugal	145.30 - 145.80	145.30 - 145.40	80-90cdis	-7.02	265-280dis	-7.49
Spain	102.75 - 103.20	102.75 - 102.85	52-57cdis	-6.38	149-159dis	-5.97
Italy	1202 - 1208½	1204¼ - 1204¾	3.20-4.20liredis	-3.72	9.40-10.90dis	-3.50
Norway	6.39¾ - 6.41¾	6.39¼ - 6.39¾	1.85-2.10oredis	-3.70	5.40-5.90dis	-3.54
France	5.51 - 5.53¾	5.51½ - 5.52	0.57-0.62cdis	-1.35	1.67-1.77dis	-1.25
Sweden	5.99¾ - 6.01¾	6.00¼ - 6.00¾	2.30-2.46oredis	-4.74	6.52-6.90dis	-4.43
Japan	156.30 - 157.05	156.40 - 156.50	0.17-0.15ypm	1.31	0.50-0.47pm	1.24
Austria	11.53¾ - 11.57¾	11.55 - 11.55½	0.20pm-0.20gdis	-0.20	0.10pm-1.00dis	-0.18
Switzerland	1.4010 - 1.4230	1.4035 - 1.4045	0.09-0.12cdis	-0.82	0.21-0.27dis	-0.66
ECU	1.3480 - 1.3505	1.3495 - 1.3505	0.21-0.20cpm	2.04	0.60-0.57pm	1.94

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

MONEY MARKETS

London rates steady

LONDON INTEREST rates were little changed yesterday, as dealers waited for today's publication of the UK retail price index for April. Fears that year-on-year inflation could be above 10 per cent have increased market nervousness of late. Mr John Major, the UK Chancellor, has warned that inflation will be significantly above the March figure of 8.1 per cent, but the mood on the financial markets was fairly calm yesterday on speculation that double figure inflation will be avoided at present.

UK clearing bank base lending rate 15 per cent from October 5

Three-month sterling interbank was unchanged at 15⅝-15½ per cent on the cash money market, with 12-month funds quoted at 15⅝-15½ per cent against 15⅝-15½ previously.

Short sterling futures had a slightly firmer tone on Liffe. September delivery opened weaker at 84.95 and touched a low of 84.92, before rallying to a peak of 85.07, and closing at 85.05 compared with 84.98 on Wednesday.

Credit conditions were more comfortable on the money market. The Bank of England initially forecast a day-to-day shortage of £250m, but revised this to £300m at noon, and back to £250m in the afternoon. Total help of £261m was provided. The authorities did not operate in the market before lunch. In the afternoon £191m bills were bought outright by the Bank of England, in band 2 at 14¾ per cent. Late assistance of around £70m was also provided.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £249m, with a rise in the note circulation absorbing £45m. These outweighed Exchequer transactions adding £30m to liquidity and bank balances above target of £15m.

In Frankfurt call money was steady at 7.85 per cent in quiet trading. West German banks reserve holdings have been low so far this month and tax payments later in May are likely to keep money market conditions tight.

Reserve holdings on Tuesday rose to 57.7bn from DM54.9bn, to average DM56.3bn for the first eight days of the month. This is below the likely requirement for May of around DM58bn, but reserves have probably risen in the second half of the week, after the Bundesbank injected a net DM3.1bn into the banking system on Wednesday at this week's securities repurchase agreement tender.

FT LONDON INTERBANK FIXING

(11.00 a.m. May.10) 3 months US dollars		6 months US Dollars	
bid 8⅜	offer 8½	bid 8⅝	offer 8¾

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK — Treasury Bills and Bonds

(Lunchtime)

Prime rate	10	One month	6.74	Three year	8.77
Broker loan rate	9¾	Two month	7.73	Four year	8.81
Fed funds	8⅛	Three month	7.99	Five year	8.82
Fed funds at intervention	-	Six month	8.18	Seven year	8.89
		One year	8.37	10-year	8.85
		Two year	8.71	30-year	8.86

May 10	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	7.80-7.90	8.05-8.15	8.10-8.20	8.20-8.30	8.45-8.60	8.00
Paris	9⅜-9½	9½-9⅝	-	9⅝-9¾	-	9.50
Zurich	8¼-8¾	8¾-9	-	8¾-9	-	-
Amsterdam	8.25-8.37	8.23-8.33	-	8.45-8.55	-	-
Tokyo	7⅛-7⅛	7⅛-7⅞	-	7⅛-7⅞	-	-
Milan	11¾-12¼	12-12⅛	-	12¼-12⅜	-	-
Brussels	10.45	9¾-10	-	9¾-10	-	-
Dublin	11½-11¾	11⅝-11¾	11⅜-11⅝	11⅝-11¾	11⅞-11⅞	-

LONDON MONEY RATES

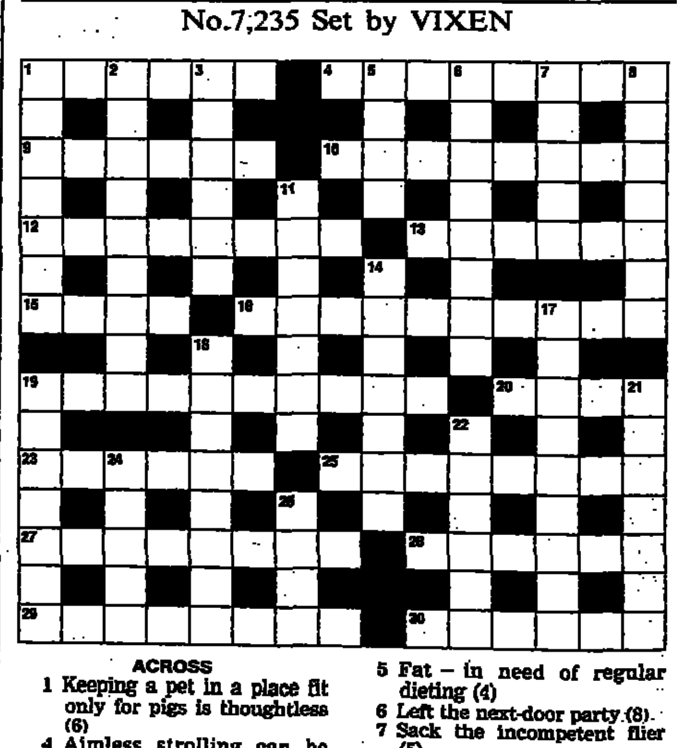
May 10	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	14¾	15	15⅛	15¼	15⅜	15⅝
Interbank Bid	10	14¾	14⅞	15⅛	15⅜	15½
Sterling CDs	-	-	15	15⅛	15⅜	15⅜
Local Authority Deps.	14¾	14¾	15	15⅛	15⅜	15½
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps.	14¾	14¾	14¾	14⅞	-	-
Company Deposits	-	-	15⅛	15⅜	15⅝	15⅜
Finance House Deposits	-	-	14⅞	15⅛	15⅜	15⅜
Treasury Bills (Buy)	-	-	14⅞	14⅞	-	-
Bank Bills (Buy)	-	-	14⅞	14⅞	14¼	-
Fine Trade Bills (Buy)	-	-	15⅛	15⅜	14⅞	-
Dollar CDs	-	-	8.32	8.42	8.57	8.87
SDR Linked Dep. Offer	-	-	8⅞	9⅛	9¼	9⅞
SDR Linked Dep Bid	-	-	8¾	8⅞	9⅛	9⅜
ECU Linked Dep. Offer	-	-	10⅛	10⅜	10⅝	10⅜
ECU Linked Dep Bid	-	-	10	10¼	10½	10¼

Treasury Bills (sell); one-month 14⅝ per cent; three months 14½ per cent. Bank Bills (sell); one-month 14⅞ per cent; three months 14⅞ per cent; Treasury Bills; Average tender rate of discount 14.5813 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day April 30 ,1990 . Agreed rates for period May 26 to June 25 , 1990, Scheme I: 15.94 p.c., Schemes II & III: 16.49 p.c. Reference rate for period March 31,1990 to April 30 , 1990, Scheme IV&V: 15.247 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 15½ from May 1 . 1990: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 11½ per cent; one-three months 13 per cent; three-six months 13 per cent; six-nine months 13 per cent; nine-twelve months 13 per cent; Under £100,000 11½ per cent from Oct 9,1989 , Deposits withdrawn for cash 5 per cent

JOTTER PAD

CROSSWORD

No.7,235 Set by VIXEN



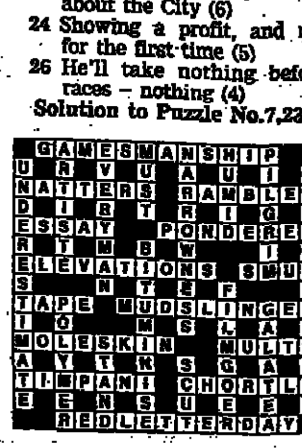
ACROSS

1 Keeping a pet in a place fit only for pigs is thoughtless (6)
4 Aimless strolling can be sweet at the waterside (8)
9 The implication is one left about a thousand (6)
10 "Knowledge without integrity is dangerous and —" (Johnson) (8)
12 A pact led to reform and brought conciliation (8)
13 Venomous creature catching a general napping (6)
15 Sound rule for the shower (4)
16 Mid-morning Daniel goes to church service (10)
19 Square claim to fish (5,5)
20 The monster's held in no great esteem (4)
23 The main sandwich-filling in the north-east (6)
25 Let out about a certain point being objected to (8)
27 Not watered – without anything at all – when it's windy (8)
28 Look after stuff and maintain in good order (6)
29 Offering to serve the people (8)
30 Goddess given a note about a bird (6)

DOWN

1 Bound over by the top man (7)
2 Looking for a sound round fruit (9)
3 A danger that's holding the queen up (6)
5 Fat – in need of regular dieting (4)
6 Left the next-door party (8)
7 Sack the incompetent flier (5)
8 Many edge into quarters in darkness (7)
11 The fate of the Parisian with very little (7)
14 Came back, finding the salesman was not truthful (7)
17 A nasty experience resulting from arming the rebellious (9)
18 See about mounting pictures just right (8)
19 The team in red remained (7)
21 Second to finish, Rose may be upset (7)
22 Quite proper depression about the City (6)
24 Showing a profit, and not for the first time (5)
26 He'll take nothing before races – nothing (4)

Solution to Puzzle No.7,234



WORLD STOCK MARKETS

AUSTRIA | BELGIUM/LUXEMBOURG | DENMARK | FINLAND | FRANCE | FRANCE (continued) | GERMANY | GERMANY (continued) | ITALY | ITALY (continued) | NETHERLANDS | NORWAY | SPAIN | SWEDEN | SWITZERLAND | SOUTH AFRICA | AUSTRALIA | AUSTRALIA (continued) | HONG KONG | MALAYSIA | SINGAPORE | JAPAN

NOTES – Prices on this page are as quoted on the individual exchanges and are last traded prices. (u) unavailable. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO
3pm prices May 10
Quotations in cents unless marked $.

f – No voting rights or restricted voting rights.

INDICES

NEW YORK

DOW JONES	May 9	May 8	May 7	May 4	1990 HIGH	1990 LOW	Since compilation HIGH	Since compilation LOW
♦Industrials	2732.88	2733.56	2721.62	2710.36	2810.15 (2/1)	2543.24 (30/1)	2810.15 (2/1/90)	41.22 (2/7/32)
Home Bonds	88.97	89.16	88.99	88.85	93.04 (3/1)	88.48 (2/5)	—	—
Transport	1161.45	1166.01	1154.52	1145.09	1201.10 (2/1)	1031.83 (30/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	213.78	212.09	210.51	208.38	236.23 (2/1)	203.09 (30/4)	236.23 (2/1/90)	10.50 (8/4/32)

♦Day's High 2745.50 (2739.41) Low 2710.14 (2710.36)

STANDARD AND POOR'S	May 9	May 8	May 7	May 4	1990 HIGH	1990 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	342.86	342.01	340.53	338.39	359.69 (2/1)	322.98 (30/1)	359.80 (9/10/89)	4.40 (1/6/32)
Industrials	398.88	398.02	396.55	394.20	411.20 (2/1)	371.92 (30/1)	411.20 (2/1/90)	3.62 (21/6/32)
Financial	27.88	27.88	27.71	27.49	31.87 (3/1)	26.59 (27/4)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	187.49	187.11	186.45	185.38	198.00 (2/1)	178.43 (30/1)	199.34 (9/10/89)	4.46 (25/4/42)
Amex Mkt. Value	348.53	347.58	347.33	345.73	382.45 (5/1)	342.64 (24/4)	397.03 (10/10/89)	29.31 (9/12/72)
NASDAQ Composite	431.34	431.84	431.21	428.61	460.90 (3/1)	410.72 (30/1)	485.73 (9/10/89)	54.87 (31/10/72)

	May 4	Apr 27	Apr 20	year ago (approx.)
Dow Industrial Div. Yield	4.05	4.15	4.07	3.51
	May 2	Apr 25	Apr 18	year ago (approx.)
S & P Industrial div. yield	3.13	3.13	3.05	3.21
S & P Indl. P/E ratio	14.85	14.72	15.08	12.92

NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Closing price	Change on day
Bristol Myers	2,234,100	58½	+ ½
Gen Electric	2,181,600	66¾	+ ⅜
Philip Morris	1,940,200	43⅞	—
Texas Utilities	1,913,900	35⅞	+ ¼
SmKline Bm Un	1,886,500	37⅞	+ 1
Fannie Mae	1,493,700	36	+ ⅛
Du Pont (nd)	1,410,700	37⅞	+ ⅛
Citicorp	1,361,200	22⅞	- ⅛
Sothebys	1,259,500	16½	- 3⅛
Phillips Pet	1,236,800	26⅛	—

TRADING ACTIVITY

† Volume (Millions)	May 9	May 8	May 7
New York	153.795	144.230	132.760
Amex	13.377	11.641	9.421
NASDAQ	146.626	133.842	122.687
Issues Traded	1,983	1,969	1,992
Rises	755	798	947
Falls	723	642	553
Unchanged	505	529	492
New Highs	38	41	34
New Lows	57	52	41

CANADA

TORONTO	May 9	May 8	May 7	May 4	1990 HIGH	1990 LOW
Metals & Minerals	3032.50	3011.50	3002.80	2940.20	3453.05 (4/1)	2850.80 (23/4)
Composite	3464.10	3438.00	3421.60	3367.90	4009.47 (3/1)	3334.20 (1/5)
MONTREAL Portfolio	1792.72	1783.03	1772.44	1742.02	2060.90 (3/1)	1720.25 (27/4)

Base values of all indices are 100 except NYSE All Common – 50; Standard and Poor's – 10; and Toronto Composite and Metals – 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	May 10	May 9	May 8	May 7	1990 HIGH	1990 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1474.5	1477.8	1476.9	1478.0	1713.7 (12/1)	1434.5 (30/4)
All Mining (1/1/80)	731.1	729.4	730.4	731.6	860.8 (5/1)	715.3 (1/5)
AUSTRIA						
Credit Aktien (30/12/84)	608.57	611.83	619.98	619.24	703.29 (19/3)	526.59 (2/1)
BELGIUM						
Brussels SE (Cash Mkt) (1/1/80)	6085.87	6100.31	6084.38	6070.82	6599.43 (12/1)	5568.16 (26/2)
DENMARK						
Copenhagen SE (3/1/83)	(u)	359.97	360.13	361.05	380.47 (28/3)	352.96 (25/4)
FINLAND						
Unitas General (1975)	(u)	562.4	563.6	570.4	677.3 (23/1)	562.4 (9/5)
FRANCE						
CAC General (31/12/82)	554.87	559.83	(c)	557.60	557.60 (7/5)	482.94 (26/2)
CAC 40 (31/12/87)	2104.56	2103.69	(c)	2119.83	2129.32 (20/4)	1880.32 (26/2)
GERMANY						
FAZ Aktien (31/12/58)	797.08	803.34	805.83	809.43	830.92 (3/4)	732.71 (24/1)
Commerzbank (1/12/53)	2313.5	2332.8	2340.2	2350.2	2414.0 (3/4)	2151.5 (24/1)
DAX (30/12/87)	1893.42	1896.58	1899.28	1934.95	1968.55 (30/3)	1756.41 (24/1)
HONG KONG						
Hang Seng Bank (31/7/64)	2985.42	2942.27	2953.58	2958.91	3067.67 (19/4)	2738.24 (1/2)
IRELAND						
ISEQ Overall (4/1/88)	1602.40	1604.36	1600.58	1601.03	1893.10 (22/1)	1582.61 (2/5)
ITALY						
Banca Com. Ital. (1972)	702.16	701.53	702.23	703.30	713.06 (17/4)	646.73 (26/2)
JAPAN						
Nikkei (16/5/49)	30980.26	30945.61	30970.58	30956.27	38712.88 (4/1)	28002.07 (2/4)
Tokyo SE (Topix) (4/1/68)	2312.85	2308.79	2303.60	2296.49	2867.70 (4/1)	2058.82 (5/4)
2nd Section (4/1/68)	3756.15	3704.80	3671.88	3628.36	4284.68 (9/2)	3313.92 (5/4)
MALAYSIA						
KLSE Composite (4/4/86)	552.20	(c)	554.73	550.31	622.20 (20/2)	518.53 (2/5)
NETHERLANDS						
CBS Tll Rtn.Gen.(End 1983)	253.8	254.8	256.7	256.3	269.0 (3/1)	240.1 (26/2)
CBS All Shr (End 1983)	191.8	192.7	194.2	194.0	206.3 (3/1)	184.2 (26/2)
NORWAY						
Oslo SE (2/1/83)	829.87	807.75	797.76	797.06	845.40 (16/3)	701.67 (2/1)
PHILIPPINES						
Manila Comp (2/1/85)	975.42	998.64	985.54	976.82	1160.70 (21/3)	956.57 (30/4)
SINGAPORE						
SES All-Singapore (2/4/75)	420.90	(c)	418.35	418.54	443.34 (6/2)	401.34 (30/4)
SOUTH AFRICA						
JSE Gold (28/9/78)	1786.0	1769.0	1807.0	1775.0	2230.0 (16/1)	1692.0 (25/4)
JSE Industrial (28/9/78)	2938.0	2951.0	2927.0	2896.0	3211.0 (6/2)	2794.0 (25/4)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	771.76	793.36	796.54	791.56	928.82 (4/1)	688.66 (30/4)
SPAIN						
Madrid SE (30/12/85)	281.24	279.99	279.13	276.91	302.85 (4/1)	248.17 (2/4)
SWEDEN						
Affärsvärlden Gen. (1/2/37)	1199.8	1185.3	1171.7	1167.3	1317.88 (12/1)	1127.20 (2/4)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	773.4	761.0	754.7	755.0	787.2 (11/1)	737.6 (27/3)
TAIWAN**						
Weighted Price (30/6/66)	8426.41	8922.67	8948.49	8880.16	12495.34 (10/2)	8426.41 (10/5)
THAILAND						
Bangkok SET (30/4/75)	870.74	875.13	(c)	(c)	918.67 (5/1)	760.39 (7/2)
WORLD						
M.S. Capital Intl. (1/1/70)	(u)	498.6	496.5	495.3	571.0 (4/1)	468.3 (2/4)

**Saturday May 5: Taiwan Weighted Price: 8943.39 Korea Comp Ex. 782.33
♦ Subject to official recalculation.
Aprb Base values of all indices are 100 except: Brussels SE, ISEQ Overall and DAX – 1,000, JSE Gold – 255.7, JSE 26 Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks
Thursday May 10 1990

	Stocks Traded	Closing Prices	Change on day
Nippon Mining	37.9m	1,040	+59
Mitsui Eng&Shp	26.1m	942	-16
NKK	23.9m	636	-10
Nippon Steel	18.9m	605	-15
Sumitomo Mtl M	14.2m	1,550	+80
MHI	14.1m	987	-2
Toshiba	13.9m	1,070	-10
Isuzu Motors	9.6m	1,090	-40
Tokyo Gas	9.1m	842	+17
Hitachi Zosen	8.3m	846	-14

3pm prices May 10

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		– A – A – A –								
37½	20¾	AAR	.48	2.2	13	1004	22	21½	21⅝	– ⅛
9⅛	8	ACM n	1.01	12.		36	8⅛	8	8⅛	– ⅛
11⅝	9⅞	ACMIn	1.26	12.		505	10⅛	10	10⅛	+ ⅛
8⅞	7¼	ACM M	n1.01	13.		320	7¾	7⅝	7½	
12⅝	11¼	ACMMM				102	11⅜	d11⅛	11⅛	
11½	9⅝	ACM Sc	1.26	13.		725	9¾	9⅝	9¾	
9⅝	8⅛	ACMSp	1.01	12.		505	8⅛	8⅛	8⅛	– ⅛
22⅝	14⅝	AL Lab	.16	.7	19	170	21¾	21	21¼	+ ⅜
4⅝	3	AMCA	.20e	6.4	9	151	3⅛	3⅛	3⅛	– ⅛
6⅛	2⅛	AM Intl			8	871	2⅜	2¼	2⅜	
23⅛	11⅛	AM In pf	2	18.		103	11½	11⅛	11¼	+ ⅛
107¼	52½	AMR			12	3894	64	62¾	63¾	+ ⅝
4⅜	3	ARX				7	3⅜	3⅛	3⅜	
72⅜	39	ASA	3a	6.9		1372	50⅜	49¾	50½	+ ⅞
70⅝	54¼	AbtLab	1.68	2.4	17	2296	70	69⅛	69⅝	+ ½
35⅝	27⅜	AbtLb wi				37	35	34⅞	35	
17⅛	11½	AbitIbi g	.50			3	12⅞	12⅞	12⅞	+ ⅛
13	8⅜	AcmeC	.40	4.2	11	36	9⅝	9⅜	9⅝	+ ⅛
9⅞	7⅝	AcmeE	.32	3.7	11	3	8⅝	8⅝	8⅝	– ⅛
38½	28⅝	Acuan			22	467	37	36⅝	37	+ ⅝
18½	13½	AdaEx	2.06e	13.		57	16	15⅞	15⅞	
15⅝	8½	Adobe				417	11⅜	11⅛	11⅜	+ ⅛
21⅝	19⅞	Adob pf	2.40	12.		6	20½	20½	20½	+ ⅛
[illegible]										

Continued on Page 51

NYSE COMPOSITE PRICES

Continued from previous Page

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
25⅜	18¼	Ryland	.60	3.0	8	945	20⅛	19⅞	20⅛	
14⅜	8¼	Rymer				15	10⅛	9⅞	10⅛	+ ⅛
		– S – S – S –								
41	32⅞	SCEcp	2.88	6.6	10	1467	38⅝	38¼	38⅜	+ ⅛
14½	8¼	SCOR U	.20	2.0	13	8	10⅜	10¼	10¼	− ⅛
9½	7¾	SL Ind	.16	2.1	13	1	7⅝	7⅝	7⅝	+ ⅛
60⅜	31	SPSTec	1.28	4.1	13	23	31⅛	d30¾	31⅛	
36⅝	22¾	SPX Cp	1	3.6	5	291	27⅛	26⅜	26⅜	−1
17¼	4⅛	Saatchi	.51e	9.1		1424	6	5½	5⅝	− ⅛
14⅜	10⅞	SabnR	1.45e	12.	9	48	11¾	11½	11⅝	+ ¼
8⅛	4⅞	Safecrd	.10	1.4	8	107	7⅛	7	7	
19	12⅝	SfgdSc			8	60	13½	13⅜	13½	+ ¼
38⅛	27⅛	SaftKln	.40	1.1	26	789	35⅞	34¾	35⅜	+ ⅜
12⅞	11⅝	Safewy n				300	11⅞	11⅜	11⅞	+ ⅛
3⅞	2½	Sfwy wt				133	2⅝	2½	2⅝	+ ⅛
9¼	7⅜	SahCas	1.12	15.	19	78	7⅝	7½	7½	− ⅛
45⅝	35⅞	StJon n	.06i	.1		87	37½	37¼	37⅜	+ ⅜
26⅜	21	StJoLP	1.60	6.2	11	21	26⅛	26	26	
28	4½	Salant				152	5½	5½	5½	
53½	38	SallieM s	.52	1.1	19	1976	49⅛	48⅜	49⅛	+1
28⅞	20	Salomn	.64	3.0	5	2502	21⅝	21¼	21½	+ ⅛
14⅛	12	SalmBr	1.79e	14.		143	12⅝	12½	12⅝	+ ⅛
45⅝	38¼	SDieGs	2.70	6.4	12	242	42½	42⅛	42⅜	+ ¼
9⅞	7⅛	SJuanB	.15e	2.1	43	50	7⅝	7¼	7¼	
35	26	SAnRt	2.08	7.8	18	24	26½	26⅛	26½	+ ⅛
14	5⅛	SFeEP	.80	14.		14	5⅞	5¾	5¾	
18¼	15⅞	SFER n				200	16½	16½	16½	− ¼
27⅞	20¼	SFePP	2.40	9.4	8	105	25⅝	25¼	25⅜	+ ⅜
26⅜	16⅜	SFePCp	.10e	.5		4902	21	20⅝	20¾	− ⅛
33⅜	25⅛	SaraL s	.84	3.1	15	6967	27⅛	26⅞	27⅛	+ ⅛
27⅛	24⅛	SavE pfA2.37		9.2		7	25⅛	25⅛	25⅛	+ ⅛
9-16	¼	Savin				1612	15-64	7-32	7-32	− 1-64
8⅞	3⅞	Savn pfB.60t		15.		3	5⅛	5⅛	5⅛	+ ⅛
35⅞	30¼	SCANA	2.52	7.7	11	344	32¾	32⅝	32¾	+ ⅛
10¼	8	Schfr	1.11j			108	10	10	10	
87½	63⅞	SchPlg	2.24	2.6	20	2429	87	86⅛	86⅜	− ¼
43⅝	31⅝	SchPl wi				9	43⅝	43½	43½	− ⅛
54½	37⅞	Schlmb	1.20	2.2	28	4730	u55⅛	54	54⅜	+ ⅝
17⅞	9⅞	Scheib	.12	.8	24	874	16	15⅛	15⅜	− ⅛
13⅛	4⅝	Schwtz			15	31	5⅜	5¼	5⅜	
25⅛	15⅞	SciAtl	.16	.7	13	685	23⅛	22⅞	23	+ ¼
15	6⅜	Scotwn	.07e	.9	9	44	8	8	8	
52½	41¼	ScottP	.80	1.9	9	1860	42⅝	42	42⅝	
17⅜	9	ScudNA	1.56e	11.		108	14⅜	14⅛	14⅛	− ⅛
13⅞	9⅞	ScdNE n				1495	10⅞	10⅝	10⅞	
74¼	44⅛	SeaCnt	.45e	.9	7	725	52⅛	50⅞	52	+1⅛
14½	12⅜	SeaCt pf1.46		11.		34	13⅝	13½	13⅝	+ ⅛
16½	14½	SeaC pfB2.10		13.		7	15⅞	15⅝	15⅝	− ¼
16½	15	SeaC pfC2.10		13.		8	15⅞	15⅝	15⅞	− ¼
94	71⅞	Seagrm	1.40	1.8	11	905	80⅛	79⅛	80	+ ⅝
27	16⅞	Seagul			16	178	25¼	25	25⅛	+ ⅛
23⅝	10⅜	SealAr n			73	124	23½	23⅛	23¼	+ ¼
48⅛	34⅝	Sears	2	5.5	9	4685	36⅝	36⅛	36¼	+ ⅛
54⅞	34⅝	SecPac	2.62	6.5	6	2866	38⅞	38⅜	38⅝	+ ⅛
12⅛	10½	SigSel n.07e		.6		80	11⅛	10⅞	11	+ ⅛
77½	64	SequaA	.60	.8	13	10	72⅛	72⅛	72⅛	− ⅛
81½	68¾	SequaB	.60	.8	14	8	78	78	78	− ¼
22	12⅜	SvceCp	.56	3.3	18	1620	17⅛	16½	17⅛	+ ⅝
15⅛	4⅞	SvMer	.06a	.9	8	651	6⅞	6½	6¾	+ ¼
10	1⅞	SvcRes			40	61	5⅝	5⅝	5⅝	− ¼
29⅞	18¾	Svcmst	1.64	8.1	9	475	20⅛	20	20⅛	− ¼
34⅜	14⅜	Shaw s	.50	1.7	15	12682	30⅛	29	29⅛	−1
28⅜	11⅜	ShawR	1	7.3		610	13⅞	13⅛	13⅜	− ⅛
23⅝	10⅛	ShLehH	.75	5.7		377	13⅛	12⅞	13⅛	+ ¼
12⅛	8¼	Shelby	.24	2.2	17	30	11⅛	10⅞	10⅞	+ ⅛
49⅛	37½	ShellTr	2.43e	5.4	11	154	44⅝	44½	44⅝	− ⅛
39½	27	Shrwin	.76	2.0	15	3392	u40	38⅜	38⅞	+ ⅝
14	8⅛	Shoney			28	83	13⅞	13⅛	13⅛	
15⅝	7⅛	Showbt	.10	1.3	12	81	7⅝	7½	7½	− ⅛
25⅞	21⅜	SierPac	1.84	8.3	11	1602	22⅛	22	22⅛	+ ⅛
8⅛	2⅞	SgnlApl				154	5⅝	5⅛	5⅝	+ ⅛
30⅛	23⅛	SupValu	.80	2.4	13	1788	25⅛	25	25⅛	+ ⅛
26⅞	16⅛	Suplnd s	.28	1.3	11	39	22⅝	22⅜	22⅝	+ ⅜
25⅝	6⅝	SybTc			14	395	9¼	9	9⅛	− ⅛
19½	14	Synova	.34	2.2	15	30	16	15⅝	15⅝	− ⅛
54½	40	Syntex	1.60	3.1	19	2018	51⅞	51⅜	51⅜	
33⅜	23⅜	Sysco s	.20	.6	24	2528	32⅞	32⅛	32⅞	
25⅝	16½	SystCt			16	292	20⅝	20⅛	20⅝	+ ⅛
		– T – T – T –								
29	16⅜	TCBY	.12	.5	20	1843	21⅝	21⅛	21⅝	+ ½
17⅜	9⅛	TCF Fn	.40	4.3	7	39	9¼	9⅛	9⅛	
8½	7⅛	TCW	.84	10.		131	8⅛	8⅛	8⅛	− ⅛
29⅛	23¾	TECO	1.62	5.7	12	988	28⅝	28⅜	28½	+ ⅛
9⅛	6¼	TIS	1.24e	18.	7	117	7	6⅞	7	+ ⅛
69¼	48¾	UnTech	1.80	3.2	11	2372	57¼	56¾	56⅞	+ ⅛
43⅜	28⅛	Unitel s	1	2.4	22	8252	42⅛	40⅝	42	+1⅛
17⅞	13⅝	UWR	.88	6.4	16	99	13⅞	13⅝	13¾	
7⅞	3½	Unitrde			52	351	4⅛	3⅞	4⅛	+ ⅜
17⅞	11	Univar s	.30	2.2	11	35	13⅞	13⅝	13⅞	+ ⅛
39	28¼	UnvlCp	1.48	4.9	10	188	30⅝	30¼	30¼	
29⅛	21⅜	UnvFd s	.68	2.3	17	782	u29½	28¾	29½	+ ⅜
14⅞	11⅞	UnvHR	1.48	12.	10	107	12⅝	12	12	− ⅛
		– X – Y – Z –								
69½	45	Xerox	3	6.2	8	2168	48½	47¾	48⅛	− ⅛
36⅝	21¼	XTRA	.48	2.2	27	41	22	21⅞	21⅞	− ⅜
29	18¾	XTRA pf1.94		10.		553	19⅛	19	19⅛	
4⅛	2⅛	Zapata				48	2½	2⅜	2⅜	− ⅛
12⅛	6⅞	Zemex				2	7⅛	7⅛	7⅛	
21⅛	7⅞	ZenithE				100	9½	9⅜	9½	
21½	13½	ZenNt	.84	6.8	8	25	14⅝	14⅛	14⅜	+ ¼
9⅜	5⅝	Zenix	.90	15.		63	6⅛	5⅞	6	
18½	12⅞	Zero s	.40	3.0	12	39	13¼	13⅛	13¼	+ ⅛
44¼	27⅜	Zurnln	.76	1.7	20	500	u44⅝	44	44⅝	+ ¾
12⅝	10⅝	Zweig	1.21e	11.		272	11½	11⅜	11⅜	
10	8⅞	ZweigTl	.96	10.		865	9⅝	9¼	9¼	

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration.

a-dividend also xtra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

3pm prices May 10

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
AT&E			1175	17½	17	17	− ½
ATT Fd	2.18e		28	65⅝	65⅜	65½	+ ⅛
Acton		3	16	11⅞	11⅝	11⅝	− ⅛
AirExp		9	253	16⅝	16½	16⅝	+ ⅛
AlbaW		7	3	6⅝	6⅝	6⅝	
Allin			201	2⅞	2⅝	2⅝	+ ⅛
Allstar			57	1⅛	1⅛	1⅛	
Alphaln			46	2⅞	2⅝	2⅞	
Alza		65	1463	39⅝	38⅛	38½	− ⅜
AmdhI	.10	11	973	14⅛	13⅞	14⅛	
AMzeA	.64		1	18⅝	18⅝	18⅝	
AMBld		25	2	¼	¼	¼	
AScIE			22	5⅛	5⅛	5⅛	
AmSwM	.40e	6	160	3⅝	3½	3⅝	
Andal			13	3⅞	3¾	3¾	− ⅛
Asrotc			9	1⅞	1⅞	1⅞	− ⅛
Atari		73	962	6⅛	4⅞	5⅛	+ ⅛
AtisCM		4	201	1⅝	d 1½	1⅝	− ⅛
Audvox			23	3½	3½	3½	− ⅛
– B – B –							
B HO	3.20e	4	x63	13⅞	d13⅞	13⅞	− ⅛
BAT In	1.20e	10	14502	11 7-16	11⅜	11⅜	− ⅛
BSN			116	6⅛	6	6⅛	− ⅛
BaryRG		19	57	5⅞	5⅝	5⅝	− ⅛
Baruch			5	6⅝	6⅝	6⅝	
Beard		625	15	6⅝	6⅛	6¼	− ⅛
BergB s	.40	14	374	25⅛	24⅞	24⅞	− ¼
BicCp	1.12a	15	5	27⅝	27⅝	27⅝	− ⅛
BinkM	1.20	12	137	39⅛	39⅛	39½	
BioR B		16	4	19⅝	19⅝	19⅝	+ ¼
BioR A		16	107	u20	19⅝	20	+ ½
BlountA	.45	7	23	11⅞	11⅞	11⅞	− ⅛
BlountB	.40e	7	2	12	12	12	− ⅛
BolrPh	.84		246	8⅛	7⅞	8	− ⅛
BowVal	.24		60	11⅝	11⅝	11⅝	+ ⅛
Bowmr			20	13-16	13-16	13-16	− 1-16
Bowne	.25	21	19	10⅛	10⅛	10⅛	
Brscn g	1.04		9	17⅞	17⅞	17⅞	− ⅛
– C – C –							
Cal Cp			140	2⅞	2⅝	2⅝	− ¼
CalEng		28	884	10½	10¼	10¼	− ⅛
Calprop	.65t	8	14	6⅝	6⅝	6⅝	
CamCr	.48	16	477	20⅝	20½	20½	
CFCda	g.01e		90	5⅛	5	5	− ⅛
ChDvB	.01e	40	19	u44½	43¾	44	+ ⅜
CDvA wi			17	u22⅛	22	22	+ ⅛
ChDevA	.01e	40	578	u44½	43⅝	43⅝	+ ¼
ChpEn			59	3⅛	3	3	
ChRv	1.20a	12	4	22⅛	22½	22¼	+ ¼
Cominc	.50e	17	62	22¼	21⅞	22⅛	+ ½
Cmptrc		7	25	2	2	2	
ConcdF		4	35	5½	5⅜	5⅜	− ¼
ConcF B		4	8	5¼	5¼	5¼	
Congst			222	2	1⅞	1⅞	− ⅛
Consln			13	1	1	1	
Coron g	.05e		2183	7⅝	7½	7⅝	+ ⅛
Cross	1.24	14	1100	28⅝	28⅜	28⅝	+ ¼
CrnCP	.80e	15	7	31¾	31¾	31¾	+ ½
CrCPB	.80e	14	99	30⅝	30	30½	+ ⅝
Cubic	.48	6	115	20⅞	20½	20½	− ⅛
Custmd		8	601	7-16	⅜	⅜	
CyprFd			318	8⅞	8⅝	8⅞	+ ⅛
– D – D –							
DI Ind			70	1⅝	1⅝	1⅝	+ ⅛
DWG			291	10	9¾	9¾	
DataPd	.16		3802	10	9⅞	10	+ ¼
Delmed			528	⅜	5-16	⅜	+ 1-16
Ducom		53	40	4⅝	4⅝	4⅝	− ¼
Duplex	.78	10	28	18⅞	18⅞	18⅞	
– E – E –							
EAC			139	⅝	d7-16	⅝	
EastnCo	.58	19	1	19⅝	19⅝	19⅝	+ ⅛
Elgp	2.80e	3	18	16⅛	d16⅛	16⅛	
EchoBy	.07	124	8072	12½	12¼	12⅜	− ⅛
EcolEn	.16	18	34	16½	16⅜	16½	
Elsinor			249	7-16	⅜	⅜	− 1-16
ENSCO		23	783	4⅝	4⅛	4⅝	− ⅛
EntMkt			100	1⅝	1⅝	1⅝	
– F – F –							
FAusPr	1.08e		383	8⅞	8 13-16	8 13-16	− 1-16
Flanign		8	3	3	3	3	+ ⅛
Fluke	.32	6	46	29⅝	29½	29½	− ½
ForstL		28	578	38⅛	37⅞	38	+ ⅛
FdHoly	.11	15	86	15⅛	14⅞	15⅛	+ ¼
FruitL		11	1253	13⅞	13½	13⅞	+ ¼
FurVit			85	1⅛	1⅛	1⅛	
– G – G –							
GTI		12	10	2⅝	2⅝	2⅝	− ⅛
GiantFd	.80	18	882	28⅛	27⅞	28⅛	+ ⅛
GntYl g			23	7⅛	7⅛	7⅛	
Glatflr	1	11	156	40⅛	40	40⅛	+ ½
GlobNR		68	183	7⅛	7	7⅛	+ ⅛
GldFld		8	41	½	7-16	½	
Greenm		13	4	4⅞	4⅞	4⅞	− ⅛
Greiner s	.20	16	128	15⅞	15⅝	15⅞	+ ⅛
GCda g	.40		108	13	12⅞	12⅞	+ ⅝
– H – H –							
Hampt1	1.27t	20	27	7½	7⅛	7½	+ ⅛
Hasbro	.16	12	875	18⅝	18⅛	18⅛	− ⅛
Hitvst		2	67	2½	2⅜	2⅜	− ⅛
Heico	.10	16	675	9½	9	9¼	+ ⅜
HeritEn			228	1⅝	1½	1½	− ⅛
HershO			427	5⅝	5⅜	5⅜	+ ½
Hlthvw n			2351	1⅛	1	1⅛	
HomeSh			350	7⅛	7	7⅛	+ ⅛
HmHar			78	4⅞	4⅛	4⅞	− ⅛
HovnEn		5	105	5¼	5⅛	5⅛	
– I – I –							
ICH			527	3¼	3⅛	3⅛	
ISS	.24	18	305	10½	10⅜	10½	+ ⅛
ImpOil	g1.80		44	51	50½	50¾	+ ¼
InstSy		9	41	1⅜	1⅜	1⅜	
InsSy pf	.25e		10	2½	2½	2½	+ ⅛
IntgSy			36	2⅝	2⅜	2⅜	
Intrmk	.12		10	7⅝	7¼	7¼	− ⅛
IntBknt		6	258	2½	2⅜	2⅜	− ⅛
IntTch			185	3	2⅞	2⅞	− ⅛
IntThr			41	5-16	5-16	5-16	
– J – K –							
JanBell		13	1304	10⅛	9¾	10⅛	+ ¼
Jetron			2	2	2	2	− ⅛
Kirby	.16e	19	606	9¼	8⅞	9	− ⅛
– L – L –							
LaBarg			9	⅝	⅝	⅝	
LdmkSv	.07j		3	6⅝	6⅝	6⅝	
Laser			190	4⅝	4¼	4⅝	
LeePhr			7	1½	1½	1½	
Lilly un			20	3-16	3-16	3-16	− 1-16
Lionel		104	116	3¼	3⅛	3¼	− ½
Lumex	.08	17	8	9	8⅞	9	+ ⅛
– M – M –							
MSR			10	2⅞	2⅞	2⅞	− ⅛
MagmC		4	846	5¼	5	5⅛	
Marlton			39	1	15-16	1	+ 1-16
MatSci			35	12	11⅞	12	+ ½
Maxam		3	57	39⅞	39⅝	39⅞	
Media	.44	64	369	28⅛	28	28	− ¼
Mdcore			5	1⅝	1⅝	1⅝	
MichStr			121	5⅛	5	5⅛	− ⅛
MchlE	.32	29	81	18⅜	18⅜	18⅜	
MoogA		7	174	6⅝	d 6⅝	6⅝	− ⅛
– N – N –							
NVR	.67e	2	981	2⅞	2½	2½	− ⅛
Nabors		41	1056	5½	5¼	5⅜	+ ⅛
NtPatnt			608	5¼	5⅛	5¼	
NtlRty			218	4⅞	4½	4⅝	− ¼
NewLine			294	10⅝	10⅛	10⅛	− ⅛
NMxAr			13	9¼	8⅞	8⅞	− ⅜
NY Tim	.52	31	222	22¾	22½	22⅝	
NCdO g	.20		46	15⅝	15½	15½	− ¼
Numac			20	6⅝	6⅝	6⅝	− ⅛
– O – P – Q –							
OEA		18	38	46⅛	46	46	
OMI	.05e	9	358	9⅜	9	9	− ¼
Olsten s	.24	13	401	15⅞	15⅛	15¾	+ ¼
OOkiep	1.78e	3	10	10	10	10	
PallCp	.36	21	776	32½	32	32⅛	− ⅛
PegGld	.10e	31	738	11½	11¼	11½	+ ¼
PeopBc	.58	9	12	15⅜	15¼	15⅜	
PerlnC	.80	10	2	24⅜	24⅜	24⅜	
PhLD	.14e	6	814	12⅝	11⅞	12½	+ ⅛
Pitwy A	.70	12	104	27⅞	27⅜	27⅞	− ⅛
PlyGem	.12	14	82	7½	7⅜	7½	+ ⅛
Presd B		159	5	6⅜	6⅜	6⅜	
PrcCm n			159	3⅞	3⅝	3¾	+ ⅛
ProMed	.42	12	67	5	4⅞	5	+ ¼
ProfCre		13	52	5⅛	4⅞	5⅛	
– R – R –							
RBW		9	75	6⅞	6⅛	6⅛	− ½
ReCap		11	10	13⅞	13⅝	13⅝	− ⅜
Riedel			60	13¾	13½	13½	− ⅛
Rogers	.12	39	5	22½	22½	22½	− ¼
Rudick	.40a	12	43	28¾	28½	28½	− ¼
– S – S –							
SJW	1.86	15	4	24⅜	24⅛	24⅜	+ ⅛
SbarrA	.24	20	1031	16⅜	16⅛	16⅛	+ ⅛
SoUCo n			286	15⅜	14⅞	14⅞	− ⅝
Spelng		29	34	8	7⅞	8	− ⅛
StarrtEl	.08e	75	82	3	2½	3	+ ⅜
Synaloy	.40	6	11	7⅞	7⅞	7⅞	+ ⅛
– T – T –							
TIE			81	¾	11-16	¾	− 1-16
TII			66	1⅛	1⅛	1⅛	
TabPrd	.20	20	49	14⅞	14⅝	14⅞	+ ⅛
TandyB		14	2100	21⅞	21⅛	21⅞	+ ⅜
TelDta	.28	67	912	34¾	34	34	+ ⅜
Telesph		23	6369	u 6⅛	4⅞	6½	+ ⅝
TexAir			984	6⅝	6½	6⅝	+ ¼
Thermd		67	217	13⅝	13¼	13⅝	+ ⅛
Thrim		19	82	13⅜	13⅝	13⅜	− ⅛
TotlPet	.80	25	66	26⅜	26¼	26⅜	
TwCty		9	77	5¼	5¼	5¼	
TubMex			185	5⅝	5½	5½	
– U – U –							
Unicorp			2	⅝	⅝	⅝	
UFoodA		7	20	2⅝	2⅝	2⅝	− ⅛
UFoodB		7	2	2¾	2¾	2¾	− ⅛
US Cell			38	22⅞	22¼	22⅞	+ ⅛
– V – W –							
ValFrg	.30	10	5	9½	9½	9½	+ ¼
WangB			612	4¼	4⅛	4⅛	
WangC			2	6½	6½	6½	
Wthfrd			1665	u 7	6⅝	7	+ ½
WelGrd			9	2⅞	2⅞	2⅞	
WAmBc	.44	14	4	21⅞	21⅝	21⅞	
WDigtl		18	984	12	11⅜	11⅞	− ⅛
WIRET	1.44	15	423	17⅛	16⅞	17	+ ⅛
Worthn		11	24	12½	12¼	12½	+ ⅛

NASDAQ NATIONAL MARKET

3pm prices May 10

Stock	Div.		Sales 100s	High	Low	Last	Chng
A&W Bd		28	1570	31	30⅛	31	+ ⅛
ACC Cp	.16	25	1888	u12	10⅝	11⅞	+1½
ADC		16	888	24	21	23½	
ADT		10	1411	28⅞	28½	28⅞	+ ⅛
ASK		18	2828	8⅝	8⅛	8½	+ ⅜
AST		23	749	23¼	22⅞	22⅞	− ⅛
Aclaim s			1515	11⅛	10½	10⅝	− ¼
AcmeSt		8	19	17¼	17¼	17¼	− ⅛
ActAR	1	16	107	6⅛	5⅛	6⅛	+ ⅞
Acxiom		16	1	21½	21½	21½	
AdacLb	.04j	5	1216	1½	1⅜	1⅜	− ⅛
Adapt		12	1324	18	17⅝	17⅞	+ ⅛
Adingt s		27	473	18¼	18¼	18¼	− ½
AdiaSv	.16	13	81	22	21½	22	
AdobeS	.21e	28	2818	44⅛	43	44	+1
AdvCir s		7	50	9⅝	9⅜	9⅜	− ⅛
AdMkSv		6	1237	5	4½	5	+ ½
AdvPoly			400	4⅛	3⅞	4	− ⅛
AdvTel		18	1489	20	18⅞	19⅞	+1
Advanta	.10	8	183	10⅜	10⅛	10⅜	+ ⅛
AdvoSy		12	172	10½	10⅛	10½	+ ⅜
Aerovx			665	4⅝	4⅛	4⅝	+ ½
AffBsh		18	5	11⅝	11⅝	11⅝	+ ⅛
AgncyR	1	18	623	13⅛	12⅝	13	+ ⅜
Agnico g	.20		410	7⅛	6⅞	7⅛	+ ½
AirMd			218	6⅛	5⅛	5⅛	− ⅛
AirWisc	1	70	333	10½	10¼	10½	+ ⅛
Airtran	.16	11	51	7¾	7⅝	7⅝	− ⅛
Akzo	1.67e	6	237	32½	32⅜	32⅜	− ¼
Aldus		22	1885	u25	23¾	24⅞	+ ½
AlexBr	.22	10	78	11½	11⅜	11½	+ ⅛
AlexBld	.88	11	1294	29	28½	28½	− ½
AlegW		10	39	8⅛	8⅛	8⅛	
AllenPh			894	11	10⅞	11	+ ¼
Alliant		29	605	6⅝	6¼	6⅝	+ ⅜
AlldCap	1.19e	11	388	18½	18	18¼	+ ¼
AldCell	.16e		847	18	17⅛	18	+ ⅛
Allwst s		26	2448	10⅜	10⅛	10¼	+ ⅛
Aloette	.32	13	150	17⅜	17½	17½	− ¼
AltaGld	.08e	29	389	4¼	4 1-16	4⅛	+ ⅛
Altera		20	1336	11⅞	11⅜	11⅜	− ⅜
Altos			213	5⅞	5⅝	5⅝	− ¼
AFFF	1.60		30	18⅞	18¼	18⅞	+ ⅜
AFTxE	1		201	8¼	d 8	8½	− ½
AWAirl		62	382	9⅞	9½	9⅞	+ ¼
ABnkr	.50	8	38	6¾	6⅝	6⅝	− ⅛
AmCaR		17	440	9¾	8⅝	9¾	+ ⅛
AGreet	.66	14	678	35½	34½	35⅛	+ ⅝
Amlnig		5	1636	6¼	5¾	5⅞	− ¼
AMS		19	34	13⅝	13⅛	13⅝	− ⅛
ANtIns	1.60	10	48	35	34½	34½	+ ¼
AmPac		12	183	12¼	12⅛	12½	
APwC s		18	135	32	31⅛	32	+ ⅛
ASoft	.32	19	298	21⅛	20⅞	21⅛	+ ⅛
ATvCm		39	593	35	34⅜	34⅜	
AmTrav		16	827	27⅞	26	27⅛	+1¼
AmFBK			881	2⅝	2¼	2½	+ ⅛
Ameritr	1.28	18	1261	17½	d16¼	17	− ¼
Amgen		60	621	64⅛	63⅜	64	+ ¼
AmskBk			60	2⅞	2⅝	2⅞	
AmtcCp			49	17¼	16⅞	16⅞	− ½
Amwest	.20		342	4⅛	3⅞	3 15-16	+ 1-16
Analy s	.48	16	2	18½	18	18½	+ ⅛
Anangel	1.80e	4	487	13⅛	d12⅞	13	− ⅛
AndvBc	.80	23	1	7½	7½	7½	
Andrew		13	11	24	23¼	23⅛	− ⅛
ApogEn	.24	15	97	15½	15⅜	15½	
AppleC	.44	10	13787	41⅞	40½	41¼	− ⅛
Aplebee			950	16⅛	16	16⅛	+ ⅛
ABiosci		20	2	29	29	29	+ ¼
ApldBio		15	473	12	d11⅛	11½	− ⅛
ApldMt		11	5092	31½	30½	31	+ ⅛
ApldP s	.12	17	33	28⅜	28⅜	28⅛	− ½
Archive		9	6887	11¼	10¾	11	
CrwnRs			145	5⅞	5½	5⅞	+ ⅛
CullnFr		34	405	10⅛	9⅞	9⅞	− ⅛
Cytogn			318	6¼	6	6⅛	− ⅛
– D – D –							
DF Sou	.05e	4	55	11	10⅜	11	+ ¼
DH Tch		12	137	14⅞	14⅝	14⅞	+ ¼
DNA Pl			747	6⅛	5½	6⅝	+ ⅛
DS Bnc	1.60e	6	40	10¼	9⅞	9⅞	− ⅛
DSC		13	5618	11⅛	10½	11	+ ½
Dahlbrg		14	50	13⅜	13⅜	13⅜	
Datscp		11	2102	22¾	21½	22¾	+ ¼
Dauphn	1.42	10	997	34½	33½	34½	+1
DebShp	.20	12	61	13½	13½	13½	− ¼
DeKlbE	.32	11	188	28¼	27⅛	27⅛	− ⅛
DklbGn	.45e	14	79	40	39½	39¾	
Delchm	.40	12	254	24⅜	24⅛	24⅜	− ⅛
DellCpt		34	1262	9¼	9	9¼	+ ¼
DelpFin			30	u15⅝	15⅛	15⅝	+ ⅝
DepGty	1.56	6	7	25¼	25⅛	25¼	
Devcn s	.05e	6	54	23½	23⅛	23½	+ ½
DeVBui			1	6½	6½	6½	+ ⅛
Diagnst		37	1210	12¼	11⅞	12¼	+ ¼
Dibrell	.72	9	41	20½	20⅜	20½	+ ½
Digi Int		12	174	12¼	11½	11⅞	+ ¼
DigMic		12	1220	16⅛	14½	16	+ ⅜
DigtSd			9379	9⅛	8⅞	9	− ⅛
Dionex		16	632	24¾	23	23½	
DirGnl	.20	14	155	9¾	9½	9¾	+ ¼
DomBk	.88	6	3052	15	d14¼	14⅞	− ⅛
DressB		10	1503	10⅛	9¾	10¼	+ ⅛
Drexlr			664	4½	4	4⅛	+ ⅛
DreyGr		21	636	u38	37¼	37½	+ ½
DrugE	s.10e	11	387	7⅛	6⅞	7⅛	+ ⅛
Duramd			170	3¼	3	3	+ ⅛
Durirn s	.50	11	490	17¾	17⅛	17⅝	+ ½
DurFil	.30	14	94	22⅛	21⅝	21⅝	− ⅛
DutyF s		23	427	28½	28	28	
DytchC		16	24	15¼	15	15¼	+ ¼
– E – E –							
ECI Tel		17	81	16⅜	16	16	
EMCN s		16	86	16⅛	15⅛	15⅛	
ERC En		15	79	11¼	10⅞	11	
EgtFd			11	14	14	14	− ¼
EasCoT			229	7⅝	7¼	7⅜	
EastFn	.10j		31	16⅜	15⅛	16⅜	+ ⅛
Egghead			367	16¼	14½	14⅞	− ⅛
ElPas			284	7	6¾	7	+ ⅛
ElcDta		15	45	10½	10	10	− ⅛
ElcSci		13	112	7	6⅞	7	+ ⅛
EluxAB	1.47e	7	1	43¼	43¼	43¼	+ ¼
ElecArt			1628	15⅞	15	15⅛	− ⅛
EmpBen			55	16½	16⅛	16½	+ ½
Emulex			16	5	5	5	− ⅛
Engph s	.15	20	88	12½	12¼	12⅜	
EnstrG	.08		9248	2⅝	2⅛	2⅛	+ ⅛
Enwrc		6	1820	4⅝	d 4⅜	4⅝	
Enzon			154	9⅛	8⅞	9	− ⅛
EqtlB	1.20	9	1	30½	30½	30½	− ¼
EqtOil	.10e	47	647	6⅛	5⅞	6⅛	+ ⅛
EricTl	1.86e	40	921	u177¼	173½	176	+5⅛
EvnSut		79	1201	32	30⅜	31⅛	+1
Everex		10	480	10	9⅝	10	+ ⅛
Exabyte		21	3214	18⅛	17⅝	18	+ ⅜
ExcelBc	.66	10	73	6⅞	6½	6½	
EXTON			258	2	1⅞	1⅞	− ⅛
Exide		8	11	9	8½	9	+ ⅛
Expln		15	71	24⅛	24⅛	24⅛	+ ⅜
– F – F –							
FHP s		15	575	16¼	16	16¼	+ ¼
FRP Pr		32	1	13	13	13	
Farr	.30	14	783	15⅝	15¼	15½	+ ¼
Fastnl s		48	572	u24¼	23⅞	24	+ ¼
Ferofl s			2	13⅛	13⅛	13⅛	− ⅛
Fibronc		22	68	7	6⅜	6⅞	
WilmTr	1.44	11	7	38½	38½	38½	+ ½
WiserO	.40	25	14	18⅞	18⅝	18¾	+ ⅛
Wolohn	.28b	10	2	17½	17½	17½	− ½
WWExp			4602	8⅞	8½	8¾	+ ⅜
Wolv wt			180	3⅞	3⅝	3⅞	+ ⅛
Worthg	.56	17	182	21⅞	21⅝	21⅞	+ ¼
Wyman	.80		444	13¼	13	13¼	+ ⅛
– X – Y – Z –							
XL Dta		5	31	10	9½	9¾	+ ¼
XOMA			4158	20	19¾	19½	− ½
Xicor			1078	2⅞	2⅛	2⅛	− 3-16
YanEnS	1.14e	11	994	19	18⅛	18½	+ ⅛
YelowF	.76	54	478	30⅜	29¾	30⅛	+ ⅝
YorkRs		20	1025	u13⅝	12¾	13½	+ ½
ZionUt	1.44	9	169	28⅞	28	28⅞	− ⅜

AMERICA

Dow stalls as 30-year bond auction kicks off

Wall Street

THE EQUITY market fluctuated within a tight range during the morning session yesterday, as the 30-year Treasury bond auction got under way, *writes Janet Bush in New York.*

At 2 pm, the Dow Jones Industrial Average was quoted 2.03 points higher at 2,734.91 on moderate volume of 93m shares. On Wednesday, the Dow had closed 0.68 point down at 2,732.88, a tiny loss which ended seven consecutive gaining sessions.

Other indices were also marginally higher at midsession with the broadly-based Standard & Poor's 500 up 0.68 point at 343.54 and the Nasdaq Composite index of over-the-counter stocks up 0.99 point at 432.33.

The primary focus, as it has been all week, was the Treasury's quarterly refunding which ended yesterday with the $10bn sale of long bonds. The Treasury bond market tended higher in the morning before the 30-year sale. Not only did the dollar recover some of its ground overnight but both the three-year and 10-year sales appeared to have gone well.

The markets cautiously awaited today's April producer prices data. The consensus forecast for the PPI is for a subdued rise of 0.2 per cent and a gain of 0.3 per cent once food and energy are stripped out of the index. A small gain in the PPI would help dampen down some of the recent concerns about inflationary pressures and talk of tighter monetary policy.

Technology stocks were featured yesterday. International Business Machines added $¾ to $112, Compaq Computer gained $1⅞ to $107⅞, Digital Equipment edged $⅛ higher to $87¾ and Hewlett-Packard rose $¾ to $45¾.

Harcourt Brace Jovanovitch lost $½ to $3¼ after the company said it had stopped discussions about a possible sale of some assets and public debt.

Georgia Gulf gained $⅝ to $7 after Goldman Sachs put out a buy recommendation on the stock, citing the view that the company was underpriced compared with other commodity chemical companies.

Cummins Engine slipped $¼ to $46⅞ after Industrial Equity (Pacific), which has a 14.9 per cent stake in the company, said that it had agreed in a settlement of litigation that it would not buy any additional shares or launch a proxy fight for 10 years.

Gap, the retailer, jumped $2¼ to $65¾ after the company reported that April sales had jumped 31 per cent from a year earlier with sales for stores open at least one year climbing 25 per cent. The Limited gained $¾ to $42⅛ after reporting a healthy gain in sales for April.

On the over-the-counter market, Sun Microsystems was the most actively traded stock. Sun eased $⅝ to $27¾ on profit-taking from recent gains in anticipation of next week's expected introduction of a new low-priced model of its Sparcstation workstation.

Canada

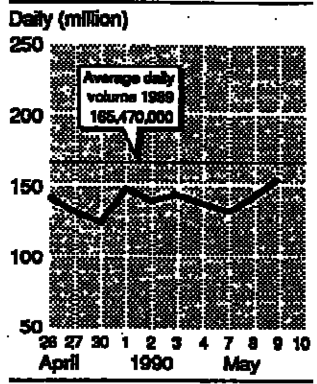
THE RALLY in Toronto continued by midsession, led by gold and base metals stocks while industrials lagged behind. The composite index rose 9.7 to 3,473.7 on volume of 18.1m shares. Advances trounced 263 to 164.

Among gold stocks, Teck Corp rose C$⅞ to C$24⅞, Lac Minerals C$⅛ to C$12⅝ and Placer Dome C$⅛ to C$19¼. In other metals, Cominco Ltd rose C$¼ to C$25⅞, Metall Mining dropped C$⅛ to C$14⅞ and Alcan rose C$⅜ to C$24¾. CAE Industries dropped C$¾ to C$5½ on the release of lower quarterly earnings.

Nova Corp was unchanged at C$8, while among banks, Canadian Imperial was down C$⅝ to C$26⅞, and Toronto Dominion was steady at C$17⅞.

NYSE volume

Daily (million)



SOUTH AFRICA

GOLD SHARES were boosted by a firmer bullion price but closed off their highs. A stronger financial rand also hampered price gains. Vaal Reefs added R2 to R342 after touching R345 and the JSE overall index rose 16 to 3,221.

ASIA PACIFIC

Better sentiment bows to caution

Tokyo

CAUTION won the day yesterday as investors extended, then reconsidered the recent rebound, *writes Michiyo Nakamoto in Tokyo.*

Widespread buying at the start took the Nikkei average up nearly 300 points by the morning close. But profit-taking, brought it back to close only 34.65 better at 30,980.26, against a high of 31,260.81 and a low of 30,957.16.

Gainers led losers by 623 to 348 with 150 unchanged, and volume rose from 700m shares to 730m. The Topix index also saw only a modest 4.06 improvement at 2,312.85 and, in London, the ISE/Nikkei 50 index made 4.08 to 1,748.36.

There has been a marked improvement in sentiment. Investors have been relieved by the change in the interest rate outlook, particularly regarding the US.

Nevertheless, professionals are wary. "There is concern that the market has risen too fast," said Mr Mitsuru Maekawa at Jardine Fleming. He added that investors have been responding well to good company news, a sign that sentiment is. But the market still lacks direction as investors switch from sector to sector.

Ibiden, which makes a diversity of products from chemicals to printed circuit boards, rose after a newspaper reported that it had developed a device which can record two hours of a movie from high-definition television, compared with the thirty minutes that conventional systems allow. Ibiden surged Y70 to Y1,170 before trading in the issue was suspended by the stock exchange, to allow investors time to catch up with the developments.

Mining issues benefited from the weaker dollar. Nippon Mining topped the actives list with 37.9m shares, advancing Y59 to Y1,040. Sumitomo Metal Mining added Y80 to Y1,550 in active trading.

Chemicals recovered after recent losses. Sumitomo Chemical rose Y13 to Y717 while Mitsui Petrochemical added Y50 to Y1,250. But some big companies were hit by profit-taking. Mitsui Shipbuilding and Engineering, which was second in volume with 26.1m shares, dropped Y16 to Y942. NKK, following with 23.9m shares, lost Y10 to Y636.

Interest in domestically-oriented stocks which had lagged behind the market helped Osaka to rise further. The OSE average finished 143.23 higher at 33,789.01 although volume fell to 49.4m shares from 68.6m on Wednesday.

Roundup

PACIFIC Rim markets were mostly lower on political or economic concerns, with the exception of Hong Kong which rose following good news from mainland China.

HONG KONG rose sharply in active trading after news that the Chinese Government had released 200 prisoners, held for their alleged involvement in the pro-democracy movement last year. The Hang Seng index gained 43.15 to 2,985.42 in turnover of HK$1.46bn, up from Wednesday's HK$1.07bn, as overseas funds moved back into the market.

TAIWAN declined in a rumour-ridden session, having opened lower on the news that the pro-democracy radio ship, which has been strongly criticised by China, was due to arrive in northern Taiwan this morning. The weighted index lost 496.26, or 5.6 per cent, to 8,426.41 in volume of 1.09bn shares worth NT$95.6bn, up from Wednesday's 1.02bn and NT$93.4bn.

AUSTRALIA eased as hopes of an early cut in interest rates were dampened by April's employment figures. The All Ordinaries index fell 3.3 to 1,474.5, and turnover from A$200m (83m shares) to A$161m (84m).

Goodman Fielder built on Wednesday's 10 cent rise to close 6 cents higher at A$1.54; but Coles Myer dropped 14 cents to A$7.40 on fears it might buy a 10 per cent stake in Goodman Fielder held by Elders IXL, in spite of company denials.

NEW ZEALAND slipped in active trading although overseas interest remained strong. The Barclays index fell 12.88 to 1,710.12, erasing Wednesday's 12.78 gain. Turnover was a heavy 12.4m shares valued at NZ$21.5m after Wednesday's unusually active 16.8m shares valued at NZ$27.8m, around four times 1990's average daily volume.

Brokers said that local institutions were selling positions to pay for future share flotations, such as Telecom Corp.

SEOUL fell on continued political and social unrest. The composite index eased 21.60 to 771.76 on weak volume of 8.6m shares worth 145.3bn won, with financial stocks down about 3.3 per cent.

MANILA declined in thin trading ahead of exploratory talks regarding the fate of US military bases in the Philippines. The composite index dropped 23.22 to 975.42.

EUROPE

Busy financial sector lifts Zurich

THE HIGHLIGHT of yesterday's continental trading was Zurich, where financial stocks made active gains. Most other bourses were quiet, *writes Our Markets Staff.*

ZURICH advanced in unusually high turnover, which concentrated on banking and insurance stocks. The Crédit Suisse index gained 13.7 to 616.4. Aggressive buying from the UK, the US and West Germany was evident, encouraged by a combination of a strong Swiss franc, at a two-year high against the dollar, interest rate optimism and a growing consensus that Swiss stocks are undervalued.

"When investors get a sniff that interest rates are going down, even if it is not until later in the summer, they immediately buy the sectors that would benefit," said one salesman.

Swiss Re PCs rose SFr29 to SFr579 on heavy turnover, Winterthur PCs added SFr43 to SFr699, Zurich Insurance bearers rose SFr230 to SFr4,530 and Union Bank bearers gained SFr180 to SFr3,400.

STOCKHOLM saw Ericsson rise further in heavy trading; its free B shares added SKr35 to SKr1,050. The Affärsvärlden General index rose 14.5 to 1,199.8 in turnover of SKr336m.

The market also responded well to Stora's confident remarks about its takeover of Feldmühle Nobel. The free Bs rose SKr5 to SKr315. Sandvik AB saw its free Bs rise SKr10 to SKr300 after the cemented carbide and specialty steel group reported better-than-expected first quarter earnings.

FRANKFURT's early losses narrowed as small buy orders appeared shortly before the close. The DAX hit a low of 1,882.71 before ending 3.16 down at 1,893.42. The FAZ, calculated at midsession, fell 6.34 to 797.00. Turnover dropped to DM5.8bn from DM7.1bn.

Dealers said the market was watching the dollar closely amid concern that exporters would suffer from a stronger D-Mark. The big three chemical companies have pointed to the weaker dollar and yen as reasons for their disappointing first quarter earnings. BASF, which said group pre-tax profit fell 6.7 per cent in the first quarter, rose DM2.30 to DM299.80. Other chemical stocks also gained, after losses earlier this week.

Commerzbank continued to climb, adding DM6.50 to DM304.00 on speculation that it would make a capital gain of more than DM1bn when it floated all or part of its 25 per cent stake in the insurance company, DBV, later this year. Other banks also held up well in a weak market, supported by hopes that short-term interest rates would ease.

PWA, the paper company, fell DM19 to DM330 after reporting record profits in 1989. Linotype, which has risen recently, partly on rumours that Siemens would buy into the company, fell DM14 to DM984, while Asko, the discount retailer, rose DM21 to DM966, the year's high.

Retailer Horten fell DM7 to DM273. The chairman of BAT Industries said that the sale of BAT's controlling stake was not proceeding as swiftly as the company would like.

MILAN saw Fiat fall further following its results, while sectors such as food and telecommunications gained. "It is Fiat, not the market, which is weak," one local broker commented. Fiat ordinaries fell L34 to L10,306 and reached L10,275 after hours.

Volumes were estimated at about L200bn to L220bn and were expected to dwindle before the close of the trading account next Wednesday. Brokers said the market had built up good support at current levels and expected a good start to the next monthly account.

The Comit index rose 0.63 to 702.16. Pirelli fell L45 to L2,675 after saying that profits this year would rise more slowly than in previous years.

PARIS finished little changed in a quiet day's trading. The market failed to make the expected bounce-back after the Government survived the previous day's censure motion. Turnover was about FFr2bn.

The market is expected to remain dull but slightly firmer before a series of annual general meetings next week by companies including Suez, Accor and Pernod-Ricard, which have been performing well of late.

Hachette, the publisher, suffered the day's largest fall, dropping FFr18.90 to FFr463.20, mostly on profit-taking.

AMSTERDAM continued to languish under the weaker dollar and recent disappointing corporate results. The CBS tendency index eased 0.7 to 116.4.

Unilever, due to report first quarter earnings today, dropped Fl 1.30 to Fl 141.30, while Philips fell further, losing 90 cents to Fl 31. On a brighter note, packaging and office equipment group Bührmann-Tetterode rose 30 cents to Fl 66 after forecasting an increase in earnings per share in 1990 in spite of more shares in issue.

BRUSSELS focused on Acec-Union Minière, the non-ferrous metals company, which lost BFr340 to BFr4,310 after news on Wednesday that up to 2.2m of its shares would be sold at BFr4,100 to BFr4,400. Other stocks eased in quiet trading.

Volumes swell in France and Spain

By Jacqueline Moore

THE SWITCH in buying interest from Frankfurt to Paris last month was the outstanding feature of April's European volume figures. While turnover in West Germany shrank by 36.6 per cent from March, French volume swelled by 32.7 per cent.

The euphoria that followed the tearing down of the Berlin Wall last November, and which helped to boost monthly turnover to DM200bn ($119bn) in the first quarter, seemed to disperse last month. Economic and financial worries led to more cautious trading, but no significant selling, as April's volume fell to DM121bn.

France, meanwhile, benefited from comparison with West Germany. Its economy looked strong, the franc was rising and corporate results were encouraging. The month began with a cut in the Bank of France's intervention rate, which initiated a buying spree that sent the CAC 40 index to seven all-time highs between April 5 and 20. Demand from foreign investors, especially the Japanese, was strong.

Results from several companies such as CGE, the electrical engineering group, came in much better than expected, triggering waves of buying, while other company news also prompted active trading. The court rulings over LVMH, the luxury goods group, left many investors confused, producing a mixture of profit-taking and speculative buying, while Saint-Gobain's acquisition of Norton of the US towards the end of the month led to an immediate sell-off of the glass-maker's shares in busy trade.

Business also began to look more lively for the Spanish bolsa last month, where activity shot up by 40.3 per cent. The banks, which had been suffering in the increasingly competitive environment, found support and had a good run at the start of April, while the construction sector took up the pace later in the month.

A low March inflation figure and a big tax exemption granted to Banesto on April 20 fanned enthusiasm.

After West Germany, the biggest drop in turnover last month was recorded by Belgium, which fell 30 per cent to BFr42.6bn, its lowest figure for well over a year. Mr Sebastian Scotney at Dillon Read, the investment bank, says the decline was due mainly to an absence of stories or new issues, but points out that many large blocks are traded outside the central market.

EUROPEAN EQUITIES TURNOVER
Monthly total in local currencies (bn)

Bourse	Jan 1989	Feb 1990	Mar 1990	Apr 1990	US $bn
Belgium	52.2	67.2	60.8	42.6	1.2
France	129.1	103.8	107.0	142.0	25.2
Germany	224.4	211.0	191.0	121.1	72.1
Italy	21,228	14,377	15,913	17,056	13.9
Netherlands	18.3	15.4	12.4	12.1	6.4
Spain	497.0	381.1	368.4	517.0*	4.9*
Switzerland	20.4	20.0	24.4	20.1	13.9
UK	30.7	22.8	23.8	21.0	33.9

Volumes represent purchases and sales. *Provisional. Swiss and Belgian data estimated. Italian data adjusted to include off-market trading. Some figures may be revised.
Source: County NatWest

Turkey steadies after 25% jump

By Jim Bodgener in Istanbul

ISTANBUL's small stock exchange is stabilising after a fresh bout of heavy demand pushed the IMKB index up nearly 1,000 points or 25 per cent in the space of a week to 4,051 on Tuesday. Traders now expect a more gradual increase. In spite of profit-taking, the market rose 100 points yesterday to 3,989.81 on a trading volume of about TL60bn ($24m).

Quarterly figures released by the stock exchange yesterday show a huge rise in business. Turnover in the first three months this year was TL3 trillion (million million), compared with TL43bn in the same period last year. Daily average turnover was TL47bn, up from TL673m in the first quarter of 1989, while the number of shares traded rose to 272m from 15.7m.

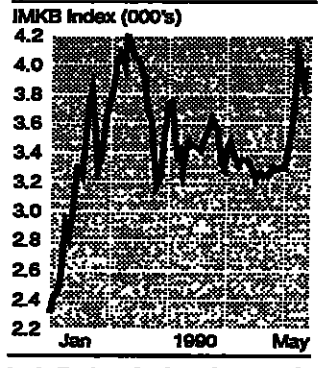
Part of the reason for the surge in share prices since the Spring Bayram holiday at the end of April was news of a rise in inflation during the month, estimated at 11.3 per cent by the Istanbul Chamber of Commerce. This prompted investors to switch funds out of deposits, foreign exchange and gold, all of which have seen returns lag behind the inflation rate for well over a year, into stocks, which are expected to produce more attracive yields than traditional savings instruments.

Also fuelling demand was renewed interest by foreign investors, with a Mediterranean fund starting its purchases last week in Turkey through Ottoman Bank, with acquisitions totalling $7m. Interest from foreign funds could increase further following an appraisal visit soon by a large team from the European financial analysts' association, AGAME.

Outside the exchange, street trading has grown into an increasingly sophisticated and organised business, since small investors were excluded on the grounds of congestion last year. Trading by dealers, equipped with walkie-talkies, display tables and stools, is not seen as a threat by the exchange, however, as it believes any interest in stock investment helps to encourage a flourishing market.

Turkey

IMKB index (000's)



FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY MAY 9 1990						TUESDAY MAY 8 1990			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Day's change % local currency	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1990 High	1990 Low	Year ago (approx)
Australia (81)	131.52	+0.2	116.17	115.25	−0.1	6.02	131.31	116.61	115.41	158.31	125.85	135.79
Austria (19)	259.88	+0.1	229.54	221.69	−1.0	1.20	259.73	230.65	223.87	285.63	193.15	123.64
Belgium (61)	150.70	+1.1	133.11	126.36	+0.4	4.61	149.00	132.32	125.85	160.02	132.11	133.01
Canada (120)	134.90	+0.6	119.16	113.90	+0.8	3.50	134.12	119.11	113.00	153.61	130.37	134.66
Denmark (34)	249.19	+0.6	220.10	211.91	−0.1	1.57	247.78	220.04	212.14	260.82	236.69	181.03
Finland (26)	132.19	+0.1	116.76	108.26	−0.6	2.53	132.04	117.25	108.89	152.29	129.99	150.66
France (125)	168.85	+0.2	149.14	146.14	−0.7	2.81	168.48	149.61	147.20	168.85	141.68	117.87
West Germany (93)	137.63	+0.9	121.57	117.17	−0.3	1.89	136.42	121.15	117.55	137.71	122.05	85.17
Hong Kong (48)	122.14	−0.2	107.89	122.16	−0.2	5.09	122.35	108.65	122.40	126.90	112.24	139.42
Ireland (17)	180.08	+1.4	159.06	155.05	+0.4	2.77	177.55	157.68	154.48	198.57	172.72	146.12
Italy (96)	103.35	+0.7	91.29	92.97	−0.2	2.55	102.59	91.11	93.17	103.73	91.85	80.24
Japan (454)	143.42	+1.0	126.68	141.83	+0.1	0.58	142.02	126.12	141.70	197.26	124.40	191.22
Malaysia (35)	218.23	+0.1	192.75	226.97	+0.0	2.37	218.10	193.68	226.97	245.32	204.15	182.29
Mexico (13)	434.21	+2.2	383.53	1340.19	+2.2	0.39	424.74	377.18	1310.96	434.21	324.53	180.74
Netherland (43)	139.86	+0.3	123.54	117.58	−0.8	4.79	139.39	123.79	118.59	145.66	130.43	118.13
New Zealand (17)	62.08	+0.5	54.84	57.28	+0.4	7.67	61.76	54.85	57.05	75.36	59.57	71.71
Norway (23)	232.91	+2.1	205.73	202.17	+1.3	1.54	228.18	202.63	199.53	245.90	202.34	184.66
Singapore (25)	191.82	+0.1	169.43	164.95	+0.0	1.83	191.57	170.12	164.95	199.38	179.70	157.08
South Africa (60)	186.59	−0.6	164.81	165.47	−1.0	3.57	187.73	166.72	167.15	251.39	173.80	135.27
Spain (42)	160.81	+1.3	142.04	125.24	+0.4	4.24	158.72	140.95	124.75	185.19	132.84	153.74
Sweden (35)	196.48	+2.8	173.56	174.67	+2.1	2.31	191.20	169.80	171.11	206.95	173.89	156.62
Switzerland (65)	97.00	+3.3	85.67	84.43	+1.3	2.46	93.87	83.36	83.36	99.12	88.75	72.98
United Kingdom (306)	147.03	−0.3	129.87	129.87	−0.8	5.09	147.40	130.90	130.90	164.31	139.87	146.82
USA (537)	138.49	+0.2	122.32	138.49	+0.2	3.50	138.21	122.74	138.21	145.40	130.61	124.63
Europe (985)	143.21	+0.5	126.50	123.46	−0.4	3.63	142.49	126.54	123.95	146.66	135.57	118.89
Nordic (118)	194.29	+1.7	171.61	162.44	+1.0	1.93	191.08	169.68	160.85	201.89	185.01	154.05
Pacific Basin (660)	142.17	+0.9	125.57	139.92	+0.1	0.91	140.86	125.09	139.81	192.75	124.63	186.72
Euro – Pacific (1645)	142.96	+0.8	126.28	133.74	−0.1	2.01	141.89	126.01	133.90	174.18	130.35	159.59
North America (657)	138.18	+0.2	122.05	136.87	+0.2	3.50	137.87	122.43	136.55	145.78	131.02	125.14
Europe Ex. UK (679)	138.76	+1.0	122.56	118.85	−0.2	2.78	137.45	122.06	119.05	138.76	124.81	101.54
Pacific Ex. Japan (206)	126.54	+0.1	111.77	114.89	−0.1	5.27	125.45	112.30	115.02	139.32	122.53	132.69
World Ex. US (1838)	143.28	+0.7	126.56	133.72	−0.1	2.07	142.24	126.31	133.84	173.77	131.30	158.49
World Ex. UK (2069)	139.87	+0.6	123.55	135.77	+0.1	2.30	138.99	123.43	135.64	162.00	130.80	145.16
World Ex. So. Af. (2315)	140.21	+0.6	123.85	134.95	+0.0	2.55	139.43	123.82	134.92	161.84	131.95	145.36
World Ex. Japan (1921)	140.38	+0.3	124.00	131.92	+0.0	3.61	139.93	124.27	131.97	145.52	134.62	123.30
The World Index (2375)	140.50	+0.6	124.10	135.16	+0.0	2.56	139.72	124.08	135.15	162.05	132.25	145.29

Latest prices were unavailable for this edition. Singapore and Malaysian markets closed May 9.
Constituent change 10/5/90: Addition: Ciba-Geigy Registered (Switzerland).

Rocket Scientists

We are currently seeking high calibre City professionals who can demonstrate an outstanding academic and career track record. Opportunities exist in the following areas:–

* Product development
* Bond portfolio analysis
* Risk management
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Michael Page City
International Recruitment Consultants
London Paris Amsterdam Brussels Sydney

Renewed treaty for peace in recruitment

By Michael Dixon

A COUPLE of hundred Jobs-column readers have reason to congratulate themselves today. For without their efforts, Britain's Institute of Personnel Management would probably not be publishing an update of its code of good recruiting practice that forms part of the rules of professional conduct for the institute's 40,000 members.

Indeed had it not been for the aforesaid 200, it is unlikely that the code – which is also endorsed by 12 other bodies concerned with employment – would ever have existed at all. Since its inception dates back 13 years, however, even some of the originators' memories may need refreshing.

The start came in March 1977 when the Jobs column asked numerous recruiters about demand for executives which seemed almost as low as it is now. To my surprise, they all claimed to have plenty of good jobs in need of filling. The only shortage, they insisted, was of good applicants to fill them with.

Being merely middle-aged then, I had not twigged that just as one never meets a farmer who is doing well, one never meets a recruitment consultant who is doing badly. So I simply reported what they had said.

The upshot was that over 150 of you replied, snorting that the problem was not a shortage of good applicants but a near-absolute dearth of good recruiters, often citing examples of ill treatment at their hands. And when I reported the counter-claims, more than 30 outraged recruiters complained about sins on the applicants' side.

Having thus placed myself in the middle of a war, I was naturally anxious to stop it. Fortunately most of the hostile parties as well as other readers agreed to help.

The result was a treaty consisting of two sets of rules. The idea was that recruiters would guarantee to honour the first set so long as applicants stood by the second. Any who didn't would forfeit the entitlement.

The treaty was taken up by the Institute of Personnel Management, which in 1978 translated it into its own recruitment code. Although doubtless still honoured more in the breach than the observance, it has surely done more good than harm. So in the hope that it will do even better in future, I have set out the new version's main rules for recruiters and applicants in the box below.

RECRUITERS SHOULD ENSURE THAT:

1. Heed is paid to legislation on equality of opportunity.
2. All recruitment begins with a job-specification and/or person-specification.
3. All selection techniques are properly validated.
4. All employees involved in recruiting are experienced in applying recruitment procedures which use only criteria related to identified requirements of the job.
5. Clear instructions are given on how to apply – eg whether to send a curriculum vitae, or to telephone or write for an application form.
6. Receipt of requested applications is acknowledged. (Unsolicited applications should be acknowledged where possible and given appropriate consideration.)
7. The application form is appropriate to the job.
8. Detailed personal information is not requested unless it is relevant to the job or selection process.
9. Applications and other information on candidates are treated in confidence and restricted to those members of staff involved directly in the recruitment process.
10. Applications are not passed to other organizations without the applicant's prior approval.
11. Application forms and interviewers clearly assure candidates that no approach to a current or previous employer will be made without their permission.
12. Applicants invited for interview are given enough notice to make necessary arrangements, and sufficient information to reach the right place on time.
13. A clear statement of policy on payment of expenses for attending interviews is sent to candidates in advance.
14. Candidates' approval is gained before they are interviewed for jobs other than those for which they applied.
15. Candidates are informed of the procedures for interviewing and testing (if any), the timing of the selection process, and the terms and conditions of employment.
16. The interview's structure is appropriate to the job.
17. All interviewers are fully conversant with the relevant job- and person-specifications.
18. Information obtained through a reference is treated as confidential. (But it should be made clear that the employer must disclose the reference if so required by a statutory agency investigating alleged discrimination.)
19. All information recorded on health questionnaires is treated as confidential.
20. Unsuccessful candidates are notified in writing as soon as a decision is reached.

APPLICANTS SHOULD:

1. Answer advertisements in the way requested.
2. Reply promptly to letters and inform the recruiter if they are unable to attend a proposed interview.
3. Inform the recruiter if they decide not to proceed with the application.
4. Give accurate information on application forms and in reply to recruiters' questions.
5. Treat as confidential any information given by a prospective employer about the business.

PR chief

HEADHUNTER Mike Cross of Barkers Human Resources Selection seeks a head of media relations for the London headquarters of a clearing bank he may not name. He therefore promises to abide by applicants' requests not to be identified to his client at this stage of the proceedings.

The newcomer, whose responsibilities cover all the bank's activities worldwide, will report to the head of corporate communications and often work closely with the chairman and board.

Candidates should be successful in media relations on behalf of a sizeable group, preferably international in scope, either as a direct employee or as a consultant. They should also have shown the ability to manage a team about a dozen strong. For preference, they should have previously worked in journalism to boot.

Salary indicator is £40,000. Other benefits include car, help with mortgage and non-contributory pension scheme among usual City banking perks.

Inquiries to Mr Cross at 30 Farringdon St, London EC4A 4EA; telephone 071-634 1200, fax 071-236 2960.

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Our client is one of the world's leading investment houses. Career opportunities currently exist within their investment banking division for outstanding individuals.

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Our client requires three individuals in their early to mid 20s who possess outstanding academic credentials coupled with superior analytical skills. Business development in Scandinavia dictates the need for a degree with a specialisation in finance and fluency in Swedish, Norwegian, French and German. General expansion requires a graduate in economics familiar with the Arabic/North African culture.

Applications quoting ref. (FT) 9/5/90 to:
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Rathbone UK Ltd., South Quay Plaza II, 183 Marsh Wall, London E14 9FU

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Our client is a highly profitable and respected firm with a substantial share of the UK Gilts market.

Due to their continued profitability, they are interested in meeting Gilt Sales people with the necessary experience and level of professionalism to make a positive contribution to this already successful team.

Aged 25-35, you will have at least 2 years Gilt Sales experience coupled with a proven track record of success in this area. Education to degree level is preferable although not essential.

We will, unfortunately, be unable to consider applications from individuals who do not meet the above specifications.

For a confidential discussion please contact Lydia Wann or Michael Brennan.

Rathbone UK Ltd., South Quay Plaza II, 183 Marsh Wall, London E14 9FU

Tel: 071-867 8899
Fax: 071-867 8895

RATHBONE

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We are currently seeking individuals with at least 2 years experience in analysing large capitalisation US companies, across a broad range of sectors. The opportunity exists for the successful candidate to progress upon a positive career path within fund management.

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For a confidential discussion, please contact Barbara Dabek.

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Acting on behalf of UK, European and Japanese City institutions, we are interested in meeting sales people and analysts with a minimum of 2 years experience in continental European markets.

We would welcome applications from self-motivated individuals currently covering Switzerland, Spain, Italy, Germany and France.

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For a confidential discussion, please contact Michael Brennan or Lydia Wann.

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Tel: 071-867 8899
Fax: 071-867 8895

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As a leading US Bank, our client is currently expanding its spot and forward FX dealing operations.

They are interested in meeting experienced and profitable dealers to augment their existing London team.

Dealers with knowledge of the $, Y and Dm markets are of particular interest to our client, as are dealers with experience of other FX related products such as Currency Options.

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Shepherd Little & Associates Ltd

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As part of an exercise to strengthen the internal audit function of this well known international bank, we are seeking applications for a specialist role within the group.

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Alternatively people with marketing skills and prior knowledge of auditing or inspection will be considered.

There is a real possibility of moving onto a marketing appointment in eighteen to twenty four months time.

Please contact David Little.

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Telephone 071-626 1161

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In their mid 20s, applicants should be numerate graduates with treasury and accounting experience.

Please write, enclosing a career/salary history and daytime telephone number, to *David Hogg FCA quoting reference H/919/F.*

Jonathan Wren Executive

OPERATIONS MANAGER

Middle East Location - Arabic Speaker

Our client, a prominent Arab institution, is looking to recruit an operations manager with specialist knowledge in operations and administration functions including computer-based information systems and management procedures. Candidates should be fluent in Arabic and ideally have had experience with a North American bank.

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c£30,000 + benefits

International bank requires a strong, personable operations manager to run a small team settling a wide range of FX, Money and Capital Market products including: futures, FRA's, swaps, options, IRS's plus FX/MM products. Ideally you will also have good experience in loans administration ie. rollovers, drawdowns, rate fixings etc.

For further information please contact Brian Jarvis or Ron Bradley on 071-623 1266.

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Recruitment Consultants
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Salary will be highly competitive, with an excellent benefits package.

Interested applicants should apply in writing, enclosing a detailed C.V. and indicate present salary level, to:

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The successful candidate will have first class quantitative skills and will be able to demonstrate an in-depth knowledge of their market – including derivative products. Languages – in particular, Spanish – would be a distinct advantage.

For further details please contact Julie Byford or Joe Reilly on (071) 583 0073 (day) or (081) 540 9340 (Evenings and Weekends) or send your cv in complete confidence to:
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For further details please call or write in strictest confidence to Andrew Stone at the address below.

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EXCHANGE
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34 years old, with over 10 years Coroprate Affairs & Treasury, Banking and Consulting experience seeks challenging new position. Detailed knowledge of European business and banking practices. Fluent French, German and Dutch with practical understanding of Italian, Spanish and Portuguese.
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- *Working with the European sales force to ensure success of their sales and marketing activities.*
- *Production and implementation of marketing materials including advertising, press and sales aids, education and managing PR activities.*
- *Assessing and improving existing marketing material*
- *Aged between 25 and 32, you will be well educated, preferably to degree level.*
- *Production of sales reports for European Sales and Marketing Manager.*

Currently you will be working in a Sales or Marketing environment and have undertaken a wide variety of marketing projects, preferably including product launches. Exposure to PC's and standard business packages is essential. The successful individual will be self motivated and able to thrive in a fast moving environment with the minimum of direct supervision. Excellent communication skills, persuasiveness and a strong service orientation are essential qualities for success. In return, our client offers a dynamic and stimulating role and unlimited scope for personal and career development.

This is an exceptional opportunity for an individual looking for fast track career progression within a major International company. For further information, please call Michael Shannon on 071 222 7766 during working hours or 081 346 7952 evenings and weekends. Alternatively you can write to him quoting reference no. MS 1071 at Ogilvie & Associates Limited, Buckingham Court, 78 Buckingham Gate, London SW1E 6PE.

OGILVIE

CREDITCORP

Creditcorp Limited is a finance company providing international trade finance and secured lending facilities to a select group of clients. We operate as part of the TAIB/Creditcorp international banking group. We are recruiting at Director, Relationship Manager and Account Executive level to fill vacancies created by internal promotions and expansion of business.

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£40,000 - £50,000

The essential requirements of this position is to put new business onto our books and to lead a Management team decisively and with enthusiasm to the successful completion of successive years Business Plans. The successful candidate for this position wil be in the age range 35 - 45 and have had extremely thorough Credit experience, Marketing achievements to their credit and interpersonal skills of an exceptionally high calibre both in context of client relationships and relationships with other collegues. He or she will have managed an overseas branch of an internatinal bank, either in the UK or abroad, or have equivalent experience. Relevant professional and academic qualifications are likely to include an MBA or other business degree.

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Successful candidates are likely to be in the age range 30-40 and will need to be able to take over and manage a small group of existing account relationships and be able to follow-up and book successfully business introduced to the company and business found on their own initiative. A strong background in Credit is essential for structuring these deals and relevant marketing experience will also be a prerequisite. They will have previously worked in the London branches of major international banks or had similar employment experience. Business qualifications or equivalent will be essential.

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Creditcorp Limited
69/70 Mark Lane
London
EC3R 7HS

CJA
RECRUITMENT CONSULTANTS GROUP
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Apple

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This is a new position in Crosby Securities, reporting directly to a main board director. We expect this role to develop rapidly into other areas of corporate finance in which the group will be involved.

The appointee must demonstrate a strong legal background, familiarity with the regulatory environment in addition to a capability to grow with role. Initial remuneration will reflect experience and qualifications and be in line with industry standards.

Please apply with a detailed curriculum vitae to:

Graeme Marshall
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Applications and further particulars are available from: Mr J Algi, Head of the Management Centre, King's College London, Strand, London WC2R 2LS.
Telephone: 836 5454 extension 2251
Closing date for receipt of applications 31st May 1990.

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We require an innovative individual who will use their first class communication and analytical skills together with existing technical knowledge of securities to identify new customers and manage projects. This will involve high level contact with an extensive range of prospective clients from the investment community.

If you have a minimum of 5 years experience in financial services; the ability to work on your own initiative as well as form an integral part of a close knit team and have a working knowledge of a second European language (preferably German), you will find the potential enormous; both in terms of career development and an excellent banking remuneration package.

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Mrs Ava Dennie, Human Resources Officer, Chemical Bank, Chemical Bank House, 180 Strand, London WC2R 1EX.

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Reporting to the Head of the Unit, you will assume responsibility for the detailed review of the analysis of financial information by Group subsidiaries. In addition, you will support the Head of the Unit in the evaluation of the effectiveness of monitoring and control systems and the preparation of formal review reports.

The position will appeal to recently qualified chartered accountants with experience of investigative analysis and computer modelling techniques. Personal attributes will include adaptability, tenacity and a high degree of self-motivation.

The remuneration package comprises a range of attractive fringe benefits including concessionary mortgage and other lending schemes, profit sharing, contributory car scheme, non-contributory pension scheme, free BUPA membership and assistance with relocation, where appropriate.

It is intended that initial interviews will be conducted in London, but in the first instance, please apply in writing providing a full Curriculum Vitae to Ralph Alexander Esq, Manager, Administration, The Royal Bank of Scotland Group plc, 42 St Andrew Square, Edinburgh EH2 2YE.

MARKETING MANAGER

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Kent

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THE NATIONAL AIDS TRUST is seeking a talented professional to be their Director of Fund-Raising. This senior post carries responsibility for establishing and managing a team of experienced fund-raisers in the fields of events, corporate fund-raising, trusts and merchandising.

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Salary, commensurate with experience, within the range of £25-30k.

Further information/application forms from Helen Hughes, NAT, Room 1432 Euston Tower, 286 Euston Road, London NW1 3DN. Tel (071) 388 1188 ext 3940 or 388 5373.

Closing date: Friday May 25th 1990
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Morgan Grenfell Group plc is a leading merchant banking and investment management group. Due to expanding business requirements we are looking to recruit a Credit Analyst who is able to analyse a wide range of corporate and financial institutions, in relation to the complex transactions generated throughout the Group.

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Remuneration will be competitive and will be based upon previous experience. Excellent benefits will include a mortgage subsidy, non-contributory pension scheme and private medical care.

Applications, including full personal and career details, should be sent to:
Gill Nash
Personnel Officer
Morgan Grenfell & Co. Limited
23 Great Winchester Street
London
EC2P 2AX

MORGAN GRENFELL

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SKOPBANK INTERNATIONAL S.A.
Attn.: Personnel Department
P.O. Box 701
L-2017 LUXEMBOURG
(Tel: 352 45 93 35)

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The job involves regular contact with executives in major chemical multinationals as well as commodity traders and industry figures. A knowledge of financial/market journalism or the chemical industry would count in your favour, but is not essential.

If you believe you can adapt quickly to this constantly demanding environment, please apply with full CV to: **Neil Eisberg, Editor-in-Chief, European Chemical News, Quadrant House, The Quadrant, Sutton, Surrey SM2 5AS.**

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GENERAL APPOINTMENTS

appears every Wednesday in the Financial Times.
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Ihre Bewerbung richten Sie bitte an unsere Abteilung Personal, Karl-Theodor-Straße 6, Postfach 11 18, 4000 Düsseldorf 1. Für etwaige Vorabinformationen stehen Ihnen die Herren Richers und Pühringer (Tel. 02 11/82 21-257) gern zur Verfügung.

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Applications should be addressed to MEDIA PA - 50/54, rue de Silly 92513 BOULOGNE-BILLANCOURT CEDEX - FRANCE enclosing a hand written letter, C.V., photo and salary expectations (mention the reference number 6746/FT).

MEDIA PA

COMPANY NOTICES

Coats Viyella Finance N.V.
(Incorporated in the Netherlands Antilles with limited liability)

Notice of the Annual General Meeting

In accordance with the Articles of Incorporation of Coats Viyella Finance N.V. (the "Company"), notice is hereby given that the Annual General Meeting of Shareholders will be held at the registered office of the Company at De Ruyterkade 62, Curacao, Netherlands Antilles on 31st May, 1990 at 10.00 a.m.

The agenda of the Annual General Meeting is deposited at the office of the Company at De Ruyterkade 62, Curacao, Netherlands Antilles, for inspection by the shareholders.

Dated 9th May 1990
Registered Office
De Ruyterkade 62
Curacao
Netherlands Antilles

BY ORDER OF THE BOARD OF MANAGING DIRECTORS
W.D. Allan

Voting and Attendance

Each Common Share of the Company entitles the holder thereof to cast one vote.

Holders of 7¼ per cent. Guaranteed Redeemable Convertible Preference Shares 2004 of the Company are entitled to attend the Annual General Meeting and to address the Meeting but have no rights to vote thereat.

All Resolutions of the Annual General Meeting shall be adopted by a simple majority of the votes cast.

Shareholders may be represented at the Meeting by a proxy empowered in writing.

BAYER AKTIENGESELLSCHAFT

The Annual General Meeting of Bayer Aktiengesellschaft will be held on 19th June, 1990 in Cologne. Payment of a Dividend of 24% for the year 1989 will be proposed.

Copies of the Company's Annual Report for 1989 in English will be available from:-

Hambros Bank Limited,
Hill Samuel Bank Limited,
Kleinwort Benson Limited,
S.G. Warburg & Co. Ltd.

United Kingdom Shareholders who wish to attend and vote at the Annual General Meeting should by 11th June, 1990, inform S.G. Warburg & Co. Ltd., Paying Agency, 2 Finsbury Avenue, London EC2M 2PA who will make the necessary arrangements on their behalf.

Under Section 125 of the German Companies Act, the Board of Management is only obliged to provide information on proposals and nominations that may be made by shareholders if the parties concerned prove their standing as shareholders in good time.

BAYER AKTIENGESELLSCHAFT
9th May, 1990.

ART GALLERIES

LEGER: BRITISH LANDSCAPE PAINTING including Gainsborough and Turner: 13 Old Bond St., W1. Mon-Fri. 9.30–5.30, May.

LEGAL NOTICES

NOTICE
of Meeting of Noteholders

To the holders of 11-1/2% Convertible Secured Bearer Notes due May 1, 1996, of REPSTEEL OVERSEAS FINANCE N.V.

Notice is hereby given that a meeting of the holders of 11-1/2% Convertible Secured Bearer Notes (the "Notes") of REPSTEEL OVERSEAS FINANCE, N.V., a Netherlands Antilles corporation (the "Company"), will be held on the 3rd Floor in the Trust Department Offices, 1601 Elm Street, Dallas, Texas, U.S.A., on Tuesday, June 5, 1990, at 10:30 a.m., Dallas time. The meeting is being called for the successor trustee under the indenture to obtain directions from the holders of Notes regarding whether the trustee should execute a Compromise and Settlement Agreement with the Company and The LTV Corporation on behalf of the holders of Notes which settles the litigation regarding the right of the trustee to foreclose on the collateral for the Notes and settles certain claims of the Noteholders in the bankruptcy proceedings involving the Company and The LTV Corporation and its other subsidiaries. The Compromise and Settlement Agreement significantly modifies the rights of the Noteholders.

Holders of Notes may vote at the meeting in person or by proxy. Forms of proxy and other information can be obtained from the trustee by writing Hibernia National Bank in Texas, P.O. Box 2249, Dallas, Texas 75221, Attention: James W. Byron, Jr. Questions may be directed to Geoff Bujalski at (504) 587-2953 or James W. Byron, Jr. at (214) 969-6104.

ACCOUNTANCY COLUMN

Large number of institutes a recipe for confusion

By Michael Lickiss

THERE ARE more accountants in the UK than in any other country, and there are more accounting bodies. The proliferation of accountants is a tribute to the success of the UK's accountancy profession, but the profusion of professional bodies is a recipe for confusion.

In the UK there are six accountancy bodies, far more than in any other country. There are three national bodies for chartered accountants - my own, the Institute of Chartered Accountants in England and Wales (ICAEW), together with the Institute of Chartered Accountants in Scotland and the Institute of Chartered Accountants in Ireland.

These three bodies mainly – but not exclusively – cover the private sector, whilst the public sector is represented by the Chartered Institute of Public Finance and Accountancy (Cipfa). These four bodies, with the mainly industry-based associations, The Chartered Association of Certified Accountants and the Chartered Institute of Management Accountants, work together in the Consultative Committee of Accountancy Bodies (CCAB).

Confused? Employers, clients, government and the general public often are. Although there are historical, geographical and legal reasons why these divisions exist, the accountancy profession and others have recognised for some time now that this state of affairs should no longer be allowed to continue.

Last summer, the ICAEW attempted to begin the process of reforming the profession by recommending a merger with the Scottish institute. Although those ICAEW members who voted were overwhelmingly in favour of the merger, the Scottish accountants were against the union and the proposal failed. A great opportunity was missed, but we take the view that we should continue to strive to rationalise the profession. Thus the councils of the ICAEW and Cipfa have proposed to their members that they merge. Ballot papers are with the members now. If the bodies that make up the profession as a whole do not change to meet the opportunities and challenges that face them in the 1990s, they will become less relevant to their members and incapable of making a significant contribution to influence change in any field in which their members operate.

The profession has to be certain that it can make its mark in the European organisation

It is, however, developments in Europe that add urgency to the call for rationalisation of the profession in the UK. The reality is that commercial law and the legal framework in which the UK profession operates are now made in Brussels and not in Westminster – as we have recently been reminded by the implementation of the Eighth Directive through the Companies Act 1989 in the UK.

The integration of the market and the need for a level playing field for those who make investment decisions across national borders within the Community will mean that common accounting standards will evolve through the EC. It is the UK profession's view that the Commission will have to be pressed hard to ensure that these standards are consistent with the international standards of the International Accounting Standards.

There are prizes to be won in Europe for the UK accountancy profession, but not if we continue to speak with six competing voices. The profession has to be certain that it can make its mark both in the European organisation – the Fédération des Experts Comptables (FEE) – and with the Commission. We have to get used to the Community's way of doing things. The Commission usually wants to talk with representative bodies, and we weaken our influence in FEE and with the Commission if we cannot show a united front. A merger between Cipfa and the ICAEW will be a first step to putting an end to the present damaging divisions within the profession.

The same is true in our relations with the UK Government. For over a century we have regulated our own affairs under Royal Charters and have done so in the best interests of clients and the general public alike. It is inevitable that we shall move from regulation by private law to regulation by public law, partly as a result of the EC's approach, and partly through political pressures in the UK for more statutory protection for consumers and investors.

Of the ICAEW's 92,000 members, some 36,000 work in practising firms; 46,000 work outside public practice in business, government and the academic world. In addition to their traditional areas of work in the public sector, Cipfa's 11,000 members also work in industry, commerce and the formerly nationalised industries.

In business life today the traditional boundaries between the public and private sectors have become increasingly blurred. More government activities are run on business lines, and the practising profession provides services to the public and private sectors alike. We therefore need to organise ourselves as a profession in a way that allows us to meet the educational and training needs of all employers – whether practising firms, private-sector industry or public-sector organisations – in a way that ensures maximum flexibility for the deployment of the diverse talent within the profession.

This is why the councils of the ICAEW and Cipfa recommend this merger. Cipfa and ICAEW are a natural fit in terms of the market place. By coming together we can create a body that speaks for the UK economy as a whole. But this is no shotgun marriage. Fundamental to the long process of courtship was the recognition of two characteristics shared by the two institutes.

First, both have a common approach to education and training. In 1985 both bodies agreed to bring together their training approaches. Both institutes recruit mainly graduates; both maintain strict control on standards and training.

Second, both place a premium on professional integrity. The ICAEW provides continuing ethical guidance while Cipfa has additionally published guidance for its members who find themselves in the political firing line between councillors, payers of the community charge and government, so they are better able to maintain their professional independence regardless of any conflict of interest.

Besides the merger vote, ICAEW members are also being asked to vote in favour of a proposal to extend the opportunities for training new accountants. This is known as Training Outside Public Practice (Topp). Up to now all ICAEW members have been trained with practising firms. Long gone are the days when our members trained solely for a career in audit. Topp will allow graduates to train within approved organisations which are not accountancy practices.

Even though in the UK the traditional barriers between private and public sectors are breaking down, there will always remain different accounting and audit needs because of the different interests that have to be satisfied. But the maintenance of traditional divisions within the accounting profession is neither necessary nor desirable, and our profession loses from it.

That is why I urge all ICAEW and Cipfa members who have not yet done so to vote in favour of these proposals. The future of our profession is at stake.

The author is deputy president of the Institute of Chartered Accountants in England and Wales, and will be the next president.

FINANCIAL CONTROLLER
DIRECTOR DESIGNATE
£25 – 30,000 p.a. 2-litre car
East Midlands

AN OPPORTUNITY HAS ARISEN FOR AN EXPERIENCED FINANCIAL MANAGER TO MAKE A MAJOR CONTRIBUTION NOT ONLY IN ACCOUNTS BUT IN THE MANAGEMENT OF THE BUSINESS. THE POSITION REPORTS TO THE MANAGING DIRECTOR AND PROMOTION TO FINANCE DIRECTOR WILL BE RAPID GIVEN EXCELLENT PERFORMANCE.

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PLEASE REPLY IN CONFIDENCE TO:-

JOHN BRENNAND, THE JOHN BRENNAND GROUP, INDUSTRIAL RELATIONS & RECRUITMENT ADVISORS, NATIONAL WESTMINSTER BANK CHAMBERS, 52/4 LICHFIELD STREET, WOLVERHAMPTON, WV1 1DG. (TEL: 0902 310020).

THE JOHN BRENNAND GROUP

ACCOUNTING APPOINTMENTS

FINANCE DIRECTOR

Wiltshire c.£38,000 + benefits

Following a recent reorganisation of this group's activities, a new company has been formed to develop the group's construction and contracting activities. The new management team has been charged with the task of rapidly expanding the range and scale of their operation, growing existing businesses as well as acquiring or setting up new businesses in related areas.

The Finance Director will be a key member of this management team and will have responsibility for appraising the business requirements and devising a financial strategy that will include implementing tight accounting systems and controls. Reporting to the Managing Director, other priorities will be to evaluate pricing and purchasing policies and examine potential acquisitions.

A qualified Accountant is required, with at least ten years experience, which ideally should have included some exposure to a construction or contracting company. Commercial flair, enthusiasm and good interpersonal skills are also needed, coupled with the strong technical skills needed for introducing detailed accounting and control systems.

The remuneration package will include a car and assistance with relocation to this attractive rural location. Replies, in confidence, to C. T. Garcia quoting reference FT/193.

KPMG Peat Marwick Selection & Search
Richmond Park House, 15 Pembroke Road, Clifton, Bristol BS8 3BG

Financial Controller

West End To £40,000 + Bonus + Car

Our client is the UK subsidiary of a European oil, gas and trading company. The UK operation, established since 1982 and with a turnover approaching £100m, is responsible for trading oil and petroleum products internationally — worldwide exploration activities are also controlled from the UK office.

Future growth plans have highlighted the need for a Financial Controller who, reporting to the UK Managing Director, will conduct an immediate review of current reporting and control systems. Subsequently, a key task will be the implementation of new systems which will ensure that the finance function keeps pace with the planned expansion.

Candidates will be qualified accountants with approximately ten years of progressive financial management experience. Familiarity with economic and financial analysis models and some knowledge of oil and gas and trading accounting would be advantageous. Previous experience in the design and implementation of management control systems is essential, as is the ability to manage a small department. Excellent communication skills, adaptability and an innovative approach are all important attributes.

Please send career and personal details, quoting reference CA244, to Carrie Andrews, Ernst & Young Search and Selection, 21 Conduit Street, London W1R 9TB.

SEARCH AND SELECTION

Ernst & Young

Finance and Operations Director

c.£40,000 + profit share

- Are you more than a number-cruncher? Can you think in terms of markets and teams and not just in terms of profits and balance sheets?
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If the answer to these questions is yes, you may want to join the board of this prestigious international publisher based in Oxford and active in a number of markets. Our small team of directors needs a new player who can help run the organisation day-to-day and contribute to our long-term strategy.

A recognised accounting qualification is essential. A university degree and previous commercial experience are both highly desirable. Man-management skills are also a plus. But good judgement and boundless energy are what the job needs most.

To apply please send full career and salary details to Anne Clark, Basil Blackwell Limited, 108 Cowley Road, Oxford OX4 1JF.

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CURRENT TRENDS IN
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AT THE SAVOY HOTEL, STRAND, WC2
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FROM 8.30am - 9.30am

The talk will be given by Adrian Bradshaw, Managing Director of Arbuthnot Corporate Finance, and will cover -
- Demergers
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Aged 33, Adrain Bradshaw is the youngest Head of Corporate Finance in the City. Previously a Corporate Finance Director at Guidehouse, Adrian was previously with Vickers DA Costa and County Bank. Adrian has worked on a range of management buy-outs, buy-ins, take-over bids and flotations. This is the first in a series of Business Breakfasts planned by Robert Half in conjunction with the Financial Times covering a range of business and management issues.

(Places at the breakfast are strictly limited.)

If you wish to attend, please contact Greg Ripley at Robert Half, Freepost, Walter House, Bedford Street, 418 The Strand, London WC2R OBR. Telephone: 071-836 3545.

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Jennifer Hudson ext 3607

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Financial Director
(Designate)

City to £45,000 + benefits

Our Client, an established Lloyd's Members Agent with an excellent reputation in the City, has identified the requirement for the recruitment of an energetic and ambitious Financial Director.

Reporting directly to the Managing Director, the appointee will be responsible for the Agency's corporate and Names accounting functions. In addition he/she will initially be responsible for the computer systems in relation to Lloyd's accounting and will ultimately take control of the overall computer function.

The successful candidate, ideally aged between 28 and 45, will be a graduate and also a qualified Accountant with previous experience in the Lloyd's Market. Strong interpersonal skills, and the ability to work as an integral part of the management team are essential. It is anticipated that a Board position could ensue in the short term.

Interested candidates should send a detailed CV together with current salary and daytime telephone number to Carol Fraser, Spicers Executive Selection, Friary Court, 65 Crutched Friars, London EC3N 2NP, quoting reference LM215. Full confidentiality will be respected in all cases.

SPICERS EXECUTIVE SELECTION
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Newly Qualified ACA
First Step Into Banking

City *£30,000 package + car*

Our client is a major International Merchant Bank with a leading portfolio of financial services products and a significant presence in a wide range of business sectors. Whilst the exposure they offer is substantial, new employees can also expect excellent on-going training and support.

Liaising between a number of departments, you will be maintaining the highest standards of financial control and management reporting. Areas of responsibility include:

- Business Analysis
- New Product Development
- Systems Implementation
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You should be self-motivated yet team-orientated, with a high degree of interpersonal flair. Banking experience is not essential, but an informed interest would obviously be an advantage.

Career prospects are truly excellent, including promotion to management level within 18-24 months and ample scope to progress into other business areas.

For further details please contact KATHY CAMPBELL on 071-404 3155. Alternatively, send your CV to Alderwick Peachell & Partners, 125 High Holborn, London WC1V 6QA. Fax: 071-404 0140.

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BUSINESS AUDITOR

An exceptional opportunity in merchant banking

N M Rothschild & Sons Limited is one of the City's most respected financial institutions.

The high-profile audit team undertakes a wide variety of projects in the UK and overseas, providing both consultancy and business review services across the Bank's range of activities.

The Business Auditor will plan, review and work on a wide range of assignments, reporting to the head of the Audit Group. The position will provide a thorough insight into the Bank's business and will involve substantial exposure to senior management.

The appointee will be expected to progress in the medium term to lead the Audit Group. This will be followed by a senior appointment in one of the Bank's Divisions.

The successful applicant will be a graduate ACA who has trained with a major firm. A minimum of 2-3 years' post-qualification experience will be required, in addition to a high level of personal and presentation skills.

An excellent remuneration package will be offered, including profit-sharing, subsidised mortgage and non-contributory pension.

Please write with a career/salary history and daytime telephone number to: Andrew S May, Director - Personnel Services, N M Rothschild & Sons Limited, *New Court, St Swithin's Lane,* London EC4P 4DU.

N M ROTHSCHILD & SONS LIMITED

Regional Managers

North West/South East — c.£30K + bonus + car

Since its inception over 50 years ago, E.K. Williams Limited has dedicated itself to the provision of a high level of financial *management and consultancy services* to the retail and oil industries.

These services are based on point of sale data collection and interpretation, with field consultants assimilating and assessing this information and being able to provide significant input from day one.

To capitalise on their success, the company is seeking to strengthen its management team through the appointment of Regional Managers to *motivate and direct a team of field based* consultants and develop business in new and existing corporate markets.

North West - Chartered Accountant

Candidates will probably be aged over 30 and should be qualified to ACA standard, and able to develop a clear understanding of the accounting systems which *support our client's products.*

South East - Sales and Marketing

Candidates will probably be aged over 30, with a record of achievement in a commercial or marketing environment, and should be able to show sound management skills, flair, strength of character and the desire to contribute and succeed.

A proven track record in a competitive service industry is essential, as is experience of managing a multi-site or dispersed team.

As ambitious professionals, with excellent man-management and organisational skills, you will realise that this is an outstanding opportunity to develop your career now and in the future with this progressive company.

Please write, giving details of career to date and current salary, to:-
Heather Carr, Personal Assistant to the Managing Director, E.K. Williams Limited, Victoria House, Victoria Street, Westhoughton, Bolton, Lancashire BL5 3AR.

Credit Analyst

Leading Investment Bank

c.£20,000 + City Benefits

Our client is firmly established as one of the City's leading investment banks and acknowledged as innovators, geared to meet the challenges of 1992 and beyond. In order to enhance their financial control procedures, they are now seeking an accomplished Credit Analyst to join their existing team.

Reporting ultimately to the Director of Financial Control on a wide range of UK and International investing institutions, you will assume responsibility for counterparty risk analysis, and for the development of an exposure monitoring system. This is a pro active role involving a close interface with the front office and liaison with senior management. Your 2-3 years credit analysis experience should be backed by sound commercial awareness and the ability to communicate effectively at all levels. PC experience would be an advantage.

In addition to the attractive salary, a first-class range of benefits includes mortgage subsidy, a non-contributory pension scheme, free medical & life insurance, performance related bonus and *genuine opportunities for career advancement.*

In the first instance, please send a brief C.V. to Mike Swaine at the address below. Please state clearly any companies to whom your reply should not be forwarded as applications will be sent direct to our client for consideration.

B&B

B&B Selection

Griffin House, 161 Hammersmith Road, London W6 8BS.

Internal Auditor

Up to £18,311 + Car

Save the Children Fund is the UK's largest international children's charity with major programmes in some 50 countries and a well established project base in the UK.

To finance our work we depend on support from the general public, volunteers in over 800 local branches in the UK, business, local authorities and central government.

The Internal Audit department is instrumental in recommending new procedures to improve the Fund's financial systems and controls. Working with the Senior Internal Auditor, you will be responsible for financial and operational audits within all areas of our activities.

You should be at least a part qualified Chartered Accountant with a minimum of 3 years' audit experience. Self-motivated, you must have the tact and diplomacy to work effectively with volunteers and non-accounting colleagues. Good communication skills are, therefore, essential. The post involves frequent travel within the UK and occasionally overseas.

In addition to a salary of up to £18,311 for a 35-hour week, benefits include a car, 25 days' holiday and contributory pension scheme.

Please write for further details and an application form to Wendy Gay, Personnel Officer, SCF, 17 Grove Lane, London SE5 8RD.

Closing date: 31st May 1990.

SCF aims to be an equal opportunties employer.

Save the Children

Finance Director

North London

c£32,000 + Bonus + Car

Our client, part of a major publicly quoted US Corporation, is a market leader in the development and *manufacture of high technology products.* Having recently effected substantial organisational changes, the company, t/o £12m, is poised to embark on an ambitious programme of growth within *its specialist sector* both in the UK and overseas on a blue chip customer base.

As a direct consequence of these changes, the company now seeks a positive individual to report direct to the Managing Director and provide both sound financial expertise and commercial direction to the business. The role will *assume full accounting responsibilities* for the company, work very closely with and support the Managing Director as well as undertake continual input to systems and computerisation improvements. Company secretarial duties will also form a part of this role.

Candidates, age indicator 35-40, should be qualified accountants who have a sound track record of achievement in *their career to date coupled* with a strong practical approach to their work. Experience gained within the manufacturing sector is desirable but not essential. However, enthusiasm, energy and the ability to take the initiative in decision making are vital.

Please telephone or write enclosing a full curriculum vitae quoting ref: 419 to:

Philip Cartwright FCMA,
97 Jermyn Street,
London SW1Y 6JE
Tel: 071-839 4572

Cartwright Hopkins

FINANCIAL SELECTION AND SEARCH

Financial Controller — Director Potential

£35,000 package inc. expensed Car
M3 Corridor

Our client is a £6m turnover subsidiary of a major Plc with a high quality reputation and is among the market leaders in the production of commercial air conditioning and heating products. They have a total commitment to future success as evidenced by recent substantial organic growth and planned acquisitions which have created an environment of exciting change. To realise corporate ambitions they need to strengthen the management team through the appointment of a Financial Controller capable of assisting in maximising their commercial potential.

Reporting to the M.D. and with total responsibilities for *the accounts function, initial challenges include* refining both Material Control and Costing Systems and implementing JIT principles. As a key member of the management you will be encouraged to contribute to the strategic development of the business through financial planning and the implementation of a fully integrated manufacturing system.

Candidates will be computer literate qualified accountants with a record of success within manufacturing industries. Strong interpersonal skills and a commitment to developing a career within this Plc are critical to success. Only candidates with the track record to reach board level need reply. A full relocation package is available.

CLARK WHITEHILL
Search and Selection

Please reply in confidence to Stephen Williams,
Clark Whitehill Consultants Ltd,
25 New Street Square, London EC4A 3LN
Tel: 071-353 1577 Fax 071-583 1720.

Finance Manager

Croydon
£28,000 + Benefits

Royal Mail Letters is a key division of the Post Office, contributing a major proportion of the Group's turnover of £3.9 billion and pre-tax profits of £169 million. Handling record volumes of mail - an increase over 12 months of more than one million letters per day - and keenly monitoring our service to our customers, we are geared up to maintain and enhance our performance in a competitive marketplace.

To succeed, we need a highly professional approach to financial management throughout the business - and we can offer a large-scale challenge to an individual with excellent financial and management skills.

Your brief is to take overall responsibility for managing the accounting systems of a regional unit of the Royal Mail business, involving the control of a team of 20 staff. The unit has some 2,000 employees and an annual turnover of £30m, so your Croydon based role will be a highly visible one ... calling for a rare combination of accountancy and management skills.

No doubt you will be a CIPFA, CIMA or CICA qualified Accountant, as well as a motivational leader with foresight, organisation and drive. In return, you'll enjoy more than a negotiable salary - the benefits package includes a performance bonus, pension scheme and relocation assistance where appropriate.

To find out more, please forward your personal and career details to Roger Clarke, Senior Resource Unit, Room 1004, Impact House, 2 Edridge Road, Croydon, CR9 1PJ by 25th May 1990.

Royal Mail is an equal opportunities employer.

Royal Mail

GROUP FINANCIAL CONTROLLER (LONDON)

c£33K + Package

Windmill Lane is an International Audio-Visual Group with subsidiaries in Ireland, the UK and the USA. It operates in the rapidly developing world of music, film and television production and post production. It has recently led the consortium that has been awarded the third television channel franchise in Ireland and been commissioned to broadcast the Irish Parliament.

A Chartered Accountant aged 28 to 33 is required to take charge of the financial accounting operations of all Group subsidiaries and associated companies in London. Responsibility will be to take full control of all aspects of the finance function with particular emphasis on ensuring the existence of strong financial controls and the provision of accurate management information. An appreciation of computer systems and their development, and good interpersonal skills are also required.

The successful candidate will report to a Group Director and will be involved in strategic, investigative and corporate planning functions.

If you would like to join this dynamic and expanding organisation send your CV to David R. Franks, The Mill, 40-41 Great Marlborough Street, London W1V 1DA.

Portfolio

PROJECT ACCOUNTANT

City £30,000 Package

- Financial Services
- High Profile
- Excellent Career Prospects

A newly/recently qualified ACA is required to set up systems in the Treasury function. This project is expected to last approximately 18 months and the candidate will then move onto other areas within finance. The role is high profile in nature and provides an excellent overview of the company's business.

For more information please contact **DENISE ENGLAND** on **071-836 9501**, quoting Ref: FT10590/A.

FINANCIAL CONTROLLER

Paris c. £30,000+car

- *International Trading Company*
- Commercial Input
- *Fluent French*

A bright qualified accountant is required to join a *Paris based operation as Financial Controller.* This is a key role in the international business and also *has responsibility for* enhancing the flow of management information around the Group. An excellent opportunity to develop European experience.

Contact **PIPPA CURTIS** on **071-836 9501** for further information, quoting Ref: FT10590/B.

MANAGEMENT ACCOUNTANT

City £30,000 +car+mortgage

- Financial Sector
- Excellent Prospects

This upmarket financial services institution requires *a qualified accountant* with City experience. The incumbent will become involved *in all aspects of fund accounting and the analysis* of management information. The company is a strong performer and career potential is excellent.

For further information contact **LIZ OSBORNE** on **071-836 9501** quoting Ref: FT10590/C.

FD DESIGNATE

E. London c. £35,000+car

- Design Consultancy
- Young Company
- Exceptional Opportunity

A small company of high powered design consultants is seeking a Financial Director Designate. The company is entering a period of dramatic growth and the role will be to act as the number 1 finance person with major involvement in all aspects of the company.

Candidates must be young entrepreneurial ACAs with a strong track record and a practical approach.

Contact **JAMES DUTHIE** on **071-836 9501** quoting Ref: FT10590/D.

BUSINESS ANALYST

Middlesex £25,000+car etc

- Blue chip Company
- Recently Qualified
- Commercial Role

This international software company requires a recently qualified accountant to join the Market Systems division. The Business Analyst will be required to proactively review business unit and *divisional performance* and to assess trends, profitability and risks. Other tasks will include assisting the Divisional Controller *in acquisitions,* disposals and capital investment.

For further information contact **MARK JONES** *on* **071-836 9501** quoting Ref: FT10590/E.

MANAGEMENT CONSULTANCY

London and Home Counties
£25,000-£40,000+car

- ACA/ACMA/ACCA/IPFA
- *Blue chip background*
- Graduate
- Age 26-34

A number of leading accounting-based consultancies require commercially-minded accountants to join their financial management teams. Computer *literate individuals* with a strong track record should send their CVs to **COLIN VASEY**, Douglas Llambias Associates Limited, 410 Strand, London WC2R 0NS, quoting Ref: FT10590/F.

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Advance your skills in an ever-changing, leading-edge environment

c.£35k + car + benefits

Our client is LSI Logic Corporation – the world's leading designer, developer and manufacturer of Application Specific Integrated Circuits – high performance custom and standard products that are the heart of today's most sophisticated technology. With affiliated companies in the USA, Europe, Japan and Canada and 3,600 employees worldwide, they compete in a truly international arena.

To ensure that their European territories are run in the most tax advantageous manner, they have created a new position based at their facility in the South East of England with responsibility for European Taxation matters.

Liaising closely with the Director of Taxation at the world HQ in America and reporting to the European Finance Director, you will concentrate on the substantial challenge of international economic double taxation, tax planning, compliance and audit, personal and corporate tax consultancy. There will also be certain Treasury responsibilities at a European level.

The need is for an ambitious and intellectually agile Chartered Accountant with 3 years' post qualification experience which should include international taxation duties either within the profession or industry matched to strong technical skills. You must be aware of and sensitive towards the business cultures of foreign countries, able to read foreign tax returns and financial reports, and a working knowledge of the German language would be a particular advantage. You must also be an energetic "hands-on" professional who is comfortable in a dynamic and ever changing environment in which intellectual capability and creativity outweigh length of experience.

Salary will be around £35,000pa plus company car and a highly attractive benefits package. Career prospects both in Europe and internationally are excellent within a rapidly expanding organisation.

To discuss this opportunity, please telephone our consultant Steve Gardner on 071-255 3200 or write to him, enclosing your CV, at Stafford Long & Partners Recruitment Ltd., 17-19 Foley Street, London W1P 7LH. Please quote reference 5330/FT. Fax: 071-436 9306.

Stafford Long & PARTNERS

Finance Director

West Midlands **£45,000 Plus**

A well established £75M PLC in the West Midlands requires a Finance Director to join its Main Board.

Candidates must be formally qualified accountants with direct experience of operating at plc level including knowledge of the financial institutions and, preferably acquisition work. Good technical accounting skills are essential but of equal importance is a high level of commercial flair and the ability to contribute strongly in the areas of strategic planning and business development.

Age is not critical but there is a preference for someone under 45 who is ambitious and has the drive and determination to develop further a career which is already successful.

Applicants, male or female, should either write or telephone quoting reference B3125/1.

Peter Nurse
Mason & Nurse Associates
126 Colmore Row
Birmingham B3 3AP
Tel: 021-236 0066

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Executive Search

FINANCIAL ACCOUNTING MANAGER

Create • Develop • Grow

London £35,000 + Bonus + Car and Benefits

Our client, a dynamic and significant force in the leisure and entertainment field, is revolutionising its market sectors. The need has arisen for a qualified accountant, able to fit into a growing and rapidly maturing environment to join the thirty strong financial team.

Reporting to the Group Financial Controller, the position will be answerable for a nine man team, with a clear short-term evolution ahead. Key responsibilities, other than monthly, annual and statutory accounting, will be the development and establishment of control routines and systems group-wide. This will require a technically strong and determined individual, able to educate 500 staff who are used to an unstructured environment. The challenge is to manage this growth without creating a bureaucracy.

The successful candidate will have natural man management ability, evident communication skills, and a track record demonstrating a first class accounting training and exposure to a disciplined commercial environment. **Career prospects are exciting and include potential public flotation experience.**

Interested candidates should send their CV to James Forte quoting reference 0105/FT providing full career and remuneration details and day and home telephone numbers.

KPMG Peat Marwick Selection & Search
70 Fleet Street, London EC4Y 1EU

GROUP FINANCIAL DIRECTOR

Expanding Client Company

Development Capital Corporation (DCC) is assisting a large private Group, which is planning to go public, to identify a suitable Group Financial Director. The Group, which has its headquarters in Dublin, is *a distribution and marketing company operating in the Republic of* Ireland and the United Kingdom.

The successful candidate will have overall responsibility for the ongoing development of management information systems, the preparation of budgets, management and financial accounts, group tax planning, treasury and foreign exchange risk management. The successful candidate will be expected to spend a significant amount of time in the *United Kingdom.*

Candidates will be commercially orientated, qualified accountants, with the personality, drive and ambition necessary to be a key member of the Group management team and to make the required input into the corporate development of the Group.

An attractive salary and benefits package, including share options, is available for the appropriate individual.

Applications with full Curriculum Vitae should be sent in confidence to:

Ken Rue, Development Capital Corporation Limited, DCC House, Brewery Road, Stillorgan, Blackrock, Co. Dublin, Republic of Ireland. Tel: (0001) 831011.

DCC

Major International Group

GROUP ACCOUNTANT

S W London

c£30,000 + car

Part of one of the world's leading multi-metal companies, our client provides management services and strategy to the international group engaged in mining, smelting and refining of base and precious metals. The already substantial group is undergoing rapid growth.

Initially organising and dealing with the accounting matters of the service company, the Group Accountant will report to the Financial Director. Responsible additionally for financial analysis of the operating companies, tax planning and the review of treasury policy, he or she will participate in a range of projects. The group will continue to make significant investment in new development opportunities internationally.

Ideally in their late 20s, applicants should be qualified accountants with commercial experience. A 'hands on' approach is essential as is the ability to understand *complex accounting matters.*

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/921/F.

Hoggett Bowers

Finance Director

Cheshire, ***Up To £40,000, Bonus, Car, Benefits***

Part of a highly-rated plc, my client has a well established reputation for quality and product development in the automotive industry. Current turnover is c £30m. As finance director you will report to the chief executive and be responsible for the overall control of the finance function (including consolidation of results of European subsidiaries), as well as playing a key *role in the direction of the company. One of your key tasks will be the continuing development* of computerised management information systems. In total the finance function has about 30 staff. Aged 35-45 you will be a fully qualified accountant (ACA, ACCA, ACMA) with extensive experience in financial and management accounting including costing systems. Your experience will, in part, have been gained with an operating company in engineering and will have included use of sophisticated computer-based management information systems. Personal qualities will include an ability to make a contribution across the board and profit awareness. An excellent package is offered together with real prospects of progress within the parent company.

J. Morrison, **Hoggett Bowers plc,** *St. James's Court, 30 Brown Street,*
MANCHESTER, *M2 2JF,* **061-832 3500, Fax: 061-834 8577.** *Ref: M19069/FT.*

Financial Controller

North East, ***To £30,000, Car***

For a young, dynamic organisation in the formative stages of prolific growth, operating in the communications sector. Turnover in the first full year of trading was £16 million. It is expected to double in the current financial year. Your remit within this exciting role, in probably the most rapid growth organisation in the region is quite simple. Reporting to the managing director you will establish, manage and develop all financial functions and management information systems against this background of sustained, exponential expansion. Supported *by a small professional team which you will recruit, you will be responsible for the submission* and interpretation of all management and statutory accounts and budgetary information, and you will provide essential advice and input regarding the future strategic direction of the business. Candidates, qualified accountants aged over 28, will be proven senior level finance managers with a commercial or industrial background, who can demonstrate success in the implementation and management of computerised financial and non-accounting systems. Essential personal skills include flair, self-motivation and the ability to innovate in an environment of change. Prospects beyond this initial role are quite outstanding.

K.H. Thompson, **Hoggett Bowers plc,** *4 Mosley Street,*
NEWCASTLE UPON TYNE, *NE1 1DE,* **091-232 7455, Fax: 091-261 8438.** *Ref: N13156/FT.*

These positions are open to male or female candidates. Please send c.v. or telephone for a Personal History Form to the relevant office, quoting the appropriate reference.

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Financial Director

High Tech Start-up

c. £30,000 + options + car

EDEN, an ideas to market company with venture capital backing, is developing an extraordinarily innovative business product using a unique man-machine interface. This is not a classic high-tech start-up. Innovation is applied as much to the route to market as to the products themselves. The company has now reached the stage where the contribution from an ambitious Financial Director will be key to growth.

Reporting to the Managing Director, the Financial Director will be a principal member of the management team. A significant contribution to the strategic and commercial management of the company will be expected. Key tasks will include initiating, structuring and negotiating co-ventures with major business partners, liaising with investors, management reporting, budgeting, structuring and finance of subsidiary operations.

This is a broad-ranging, financial role requiring a qualified accountant with high levels of business acumen and commerciality, and also a practical, shirt-sleeves approach so vital in this greenfield situation. This post will appeal particularly to the mature, confident and proactive person who relishes responsibility and seeks the opportunity to be involved in building a successful corporate group. He or she will have a high level of business acumen and boardroom credibility. Previous experience of working in small, acquisitive, fast growing or high-tech companies would be advantageous.

The salary package includes a fully expensed car, relocation expenses to rural Cheshire and, subject to performance, share options.

Please reply, in confidence, quoting reference number R196 to Derran Sewell, Ernst & Young Search and Selection, Lowry House, 17 Marble Street, Manchester M2 3AW.

SEARCH AND SELECTION

Ernst & Young

LONDON c.£40,000 + CAR

European Financial Controller
Direct Marketing

Our client is a fast-growing TV-based direct marketing organisation which is in the process of introducing into the UK and other European countries a new service which has been successfully established in the US.

An office is being sought in the West End of London to be *the European headquarters* and a qualified accountant is required to set up and run the financial and management accounting systems, reporting to the Chief Operating Officer. The person apointed will need to be familiar with using accounting packages on micros and will have some experience of larger systems. He or she must be capable of acting independently in the early stages and of becoming a significant international financial *manager within two years.*

We would like to hear, from candidates in their 30s with media, direct marketing or fulfilment experience which *should include a European and/or US accounting* component. Salary will be flexible around £40,000 and a car and notably good prospects will go with the job.

Please send full personal and career details, including remuneration level and daytime telephone number, in confidence to Christopher Haworth, Coopers & Lybrand Deloitte Executive Resourcing Ltd., 76 Shoe Lane, London *EC4A 3JB quoting reference CH706 on both envelope* and letter.

Coopers & Lybrand Deloitte Executive Resourcing

Group Financial Controller
Acquisitive Young Plc

c. £42,500 with Bonus North East

A dynamic and commercial finance professional to join the talented young management team implementing ambitious growth plans in this acquisitive manufacturing and engineering group.

THE COMPANY
◇ Established and respected plc with overseas interests. Turnover £50m+.
◇ Active acquisition policy and international expansion plans.
◇ New leadership has resulted in rapid and profitable growth.

THE POSITION
◇ Full responsibility for financial reporting and *integration of subsidiaries.* Reporting directly to Group Finance Director.
◇ Strong relationship with company FD's to analyse business problems, *optimise strategy* and enhance profitability.
◇ Wide international remit. Key involvement in acquisitions, tax and treasury.

QUALIFICATIONS
◇ Bright, creative, graduate accountant, preferably ACA, with excellent business and communication skills.
◇ Early 30's. Ideally with management experience from an international group.
◇ Achiever. Performance oriented. Ambitious.

Please write enclosing full cv, Ref MJ1984
114 Washway Road, Sale, Manchester, M33 1RF

S N

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FINANCE MANAGEMENT ON THE MOVE

United Parcel Service is the world's premier provider of international small package and document delivery, with a worldwide service covering more than 175 countries and territories.

The quality of our service is underlined by a growing $12 billion revenue. This impressive figure, our current plans for expansion in the UK, and the international scale of our business all point to an unusual level of opportunity for the fully qualified, graduate-level Finance Professionals we now wish to add to the team:

Tax Manager

A senior role, in which you'll monitor the Europe Region's corporate tax returns, analyse existing procedures and tax reduction possibilities, and liaise with local CPA and legal firms.

Treasury Supervisor

Our rate of European growth means that co-ordinating the establishment of new bank accounts will fully challenge your knowledge and experience of foreign currency management. Controlling existing accounts and analysing the efficiency of our banking network also fall within the sphere of this key role.

Financial Planning Supervisor

To administer the long-term strategic financial model for Europe, analysing special projects and existing cost networks, and assisting with the efficient introduction of new services. Good computer skills and a knowledge of Lotus 123 are essential.

The European-wide nature of our business means that we are particularly keen to hear from bilingual candidates who are willing to travel if and when projects such as acquisitions take them overseas.

The immediate rewards are highly competitive and will take account of both your experience and potential. And the further ahead you look, the better the prospects become.

Find out more about harnessing your talents to the management of efficiency and success. Telephone or write to Anna Svard, European Region Human Resources Manager, United Parcel Service, Whittaker House, 2 Whittaker Avenue, Richmond upon Thames, Surrey TW9 1TA. Tel: (081) 332 2020.

UPS®

As sure as taking it there yourself

FINANCIAL PLANNING
Corporate Strategy Role – Diverse Blue Chip

c.£32,000 + Bonus + Car

City

Our Client is a significant division of a diverse commercial services Group with a turnover of £3bn. A dominant force in each of its chosen markets, the division is strong in the UK, Far East and Europe. Pre-tax profit grew by over 80% last year, allowing the implementation of an aggressive European expansion plan.

A qualified Accountant is sought to further strengthen the financial planning function. Reporting to the Director, Financial Planning and Control and freed from routine reporting, the scope of the role is wide: areas of analysis cover both group and operational issues. Specifically, the role has responsibility for preparing and reviewing profitability studies, pre- and post-aquisition analyses and development of management reporting as well as handling a variety of ad-hoc tasks.

The Group has a proven record of developing its finance staff by providing them with experience throughout its operations: the role is viewed as an entry point and hence the successful candidate should expect to be promoted within 2 years.

Candidates sought will be qualified Accountants with c.3 years' pqe. Although analytical and acquisitions experience is particularly sought and experience gained within the service industry helpful, candidates looking for a first move from the profession will be considered if they have had significant experience of special work.

Please apply directly to Mark Ehrlich at Robert Half, Freepost, Walter House, Bedford Street, 418 The Strand, London WC2R 0BR. Telephone: 071-836 3545, or evenings on 081-556 3615. Alternatively, fax your details on 071-836 4942.

ROBERT HALF LONDON

Financial Recruitment Specialists
London · Birmingham · Windsor · Manchester · Bristol · Leeds · Southampton
Brussels · USA · Canada

Manufacturing and Retailing plc

GROUP FINANCIAL DIRECTOR

E Midlands

package c£100,000

With subsidiaries in manufacturing and retailing, our £100 million turnover client is undergoing a major rationalisation. The management team, which will include a new Chairman, will continue this rationalisation and manage and develop the businesses.

The Group Financial Director will be expected to make a material contribution to the group's future. Working closely with the Chairman, he or she will determine and implement tight financial control and participate in the definition and achievement of strategy. There will necessarily be considerable exposure to the group's bankers and other advisers.

Likely to be in their 40s, applicants should be qualified accountants with the ability to work under tight constraints.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/920/F.

FINANCIAL CONTROLLER
(Director Designate)

c.£25,000 + Car

Rotortech is a market leader in helicopter engineering support, committed to technical excellence in the overhaul, modification and repair of helicopters *and their components.*

A sustained period of growth has made this a particularly exciting time to join our well-equipped organisation, and due to *promotion within the senior* management team, we now need a Financial Controller to help us expand successfully into the future.

Fully responsible *for the effectiveness and viability* of our Finance Department, you will also advise the Board and Managing Director on the financial implications of all *major business decisions.*

This is a high profile post offering considerable challenge and job-satisfaction as well as excellent prospects for *appointment as Finance Director* within the next two years. It demands Chartered or Cost and Management Accountant qualification plus current or previous *experience within a manufacturing* environment.

If you are interested in the prospect of joining one of the UK's *most profitable high-tech* private aviation groups, please send your CV in confidence to Brian Winch, Managing Director, Rotortech Limited, Bourn Airfield, Cambridge CB3 7TQ.

Rotortech Limited

The thinking behind the strategy

Principal Financial Analyst to £34,000 + car

Annual turnover at British Gas exceeds £7bn and profits topped £700m last year: so the City takes a keen interest in what our Group Finance directorate has to say.

The newly-reorganised Financial Strategy section will play a key role in the company's drive towards earnings growth by providing review and analysis of a range of finance issues. This advice will impact on both the financial performance and overall *success of British Gas. With the growing internationalisation* of the company's activities and increasing complexities of its financial affairs, sound financial management is more important than ever.

As *Principal Financial Analyst, it will be your responsibility* to motivate and lead a team of five in the preparation and presentation of financial reports with a goal of maximising the company's market value. You'll use your thorough understanding of the financial and business world to provide fast, accurate analysis on developments influencing the Group as a whole and the options available. You'll participate in regular briefings with top management and all units of the company.

You'll need a degree and accountancy qualification, an in-depth understanding of corporate accounting and financial economics as well as significant experience of financial planning and strategy within a large group.

The generous rewards package reflects the importance of this post: in addition to a salary of up to £34,000, you'll enjoy a first-class range of benefits including car, profit sharing and *sharesave schemes, six weeks'* holiday and relocation assistance if appropriate.

Please send your cv, quoting reference SCE/FT, to Steve Edgeworth, Recruitment Administration, British Gas plc, *Heron House, 326 High Holborn, London* WC1V 7PT. Closing date for receipt of applications 25 May 1990.

An equal opportunity employer

British Gas

European Tax Manager

Thames Valley **£45,000 Package + Car + Benefits**

Our client is an international manufacturing company and global marketer of quality products with significant operations in the UK, Europe and North America. Strong organic growth within its core market together with a policy of strategic acquisition has created a group with an enviable position in its industry which is focused on the future and quick to adapt to change.

Forming part of the small head office finance team the new European Tax Manager will have high visibility and be expected to make a significant contribution to corporate strategy. Initially, the primary responsibility will be placed on international tax planning with significant exposure to the following issues:

- Looking at divestments to minimise acquisition indebtedness and advice to improve overall group cash flow.
- Providing a complete tax advisory service to all levels of senior management.
- Mitigation of tax liabilities within high tax countries.
- Providing advice on European group acquisitions and restructurings.

Due to the high profile nature of the role, career prospects in taxation within the worldwide group are exceptional.

Suitable candidates must be able to demonstrate an indepth knowledge and experience of tax affairs related to a mature international business coupled with necessary commitment and enthusiasm to contribute proactively to future organic growth.

Applicants will ideally be in their early 30s with ACA/ATII qualifications.

For further information, contact Chris Nelson, Manager, on 071-831 2000 (evenings/weekends on 081-785 6545) or write to him at Michael Page Taxation, 39-41 Parker Street, London WC2B 5LH.

MP

Michael Page Taxation
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

CORGI — Mattel Toys

Financial Controller

Swansea

£30,000 plus with car, substantial profit related bonus and benefits

Corgi is one of the leading British brand names in the Toys Industry. The company has a well established sales and distribution network in both the toy and collector markets across the world. It has an enviable reputation for product quality and variety and a proven track record of successful adaptation to market and economic forces.

Mattel Toys International, one of the world's largest and best known toy manufacturers, has recently acquired Corgi to add an extra dimension to its existing worldwide product base and to aid expansion in the UK and European markets.

The Financial Controller of Corgi will report to the Managing Director on site in Swansea and will also have a line to the Mattel Head Office in California for group reporting purposes. He/She will have full responsibility for the accounting and management information systems for the design, manufacture, marketing, sales and distribution of Corgi products throughout the world. He/She will act as a key member of the multi-disciplinary management team which is committed to the further development and expansion of Corgi brands in both existing and future markets.

Suitable applicants will need to be qualified accountants with at least 6 years' post qualification experience in a commercial, industrial environment. Exposure to US reporting would be an advantage, as would a background which demonstrates significant achievement as part of a strategic management team in a highly competitive product market place.

For the successful applicant there is a substantial remuneration package including car, bonus and relocation expenses and the opportunity of a stimulating career in a progressive multinational environment.

Interested parties should reply, enclosing a current curriculum vitae to **Andrew Hine or John Keefe** at **Michael Page Finance, 29 St. Augustine's Parade, Bristol BS1 4UL. (0272) 276509.**

The closing date for applications is Friday 18th May 1990.

MP

Michael Page Finance
International Recruitment Consultants

Financial Controller

Reading **c.£27,500 + Car**

Our client is the UK subsidiary of one of the world's leading manufacturers of sportswear. The UK company – turnover £10m – is currently a well established sales and marketing operation, but anticipated diversification of the product range and the establishment of a UK assembly unit necessitates the appointment of a Financial Controller.

Reporting to the Managing Director, an initial task for the Controller will be to appraise the existing computer systems in light of the planned expansion and implement required enhancements. The appointee will manage a small finance function and will need to develop the company's management information and financial controls.

The role will suit a recently qualified accountant keen to work within an informal business atmosphere who is experienced in a small/medium sized company environment with particular emphasis on stock accounting and costing systems. Essential requirements are a "hands-on" attitude and familiarity with computerised systems. Implementation of such would be a distinct advantage.

Please send career and personal details quoting reference CA236 to Carrie Andrews, Ernst & Young Search and Selection, Apex Plaza, Forbury Road, Reading RG1 1NR.

SEARCH AND SELECTION

Ernst & Young

GROUP FINANCIAL CONTROLLER

Our client is a long established, international British electronics manufacturing plc, market leader in its core product area, and exporting over 60% of their output. They now require a:

GROUP FINANCIAL CONTROLLER

London **£35,000**

This position is ideal for an ambitious individual seeking a broad and responsible role as the head of finance in a smaller plc. The environment is typically practical, no-nonsense and a positive and imaginative contribution to the running and success of the Company will be expected.

The Group Financial Controller reports directly to the Managing Director. There is a small HQ department and functional control of the finance staff in manufacturing (including in the Far East) and R&D. Key roles include cash and debt control, foreign exchange, stock control and the overall preparation of the annual accounts.

Candidates should be qualified accountants (preferably ACA), aged 27-34, with experience of working in a plc with manufacturing – preferably multi-site and international operations.

Remuneration will include a basic salary of £35,000 plus normal plc fringe benefits including executive car and assistance with relocation to the company's central London head office if appropriate.

If this position interests you please contact David Thompson, Haymarket Consultants, 1 Golden Court, The Green, Richmond, Surrey TW9 1EU.

HAYMARKET consultants
A specialist division of Korn/Ferry International

Financial Controller

ACMA/ACA/ACCA – Aged 28-35

North West **To £30,000 + Car**

Our client is the successful subsidiary of a major multinational British based plc involved in supplying the automotive, petrochemical, power generation, aerospace and electrical industries. They now have a requirement for a high calibre Financial Controller. The Company operates businesses in the fields of industrial textiles, sealing materials and rubber processing, and is situated in the North West. A high proportion of the turnover is exported.

Working within a high calibre management team and reporting to the Finance Director, you will manage a progressive Finance Department and be expected to provide management with meaningful financial information on a timely basis.

Probably aged 28-35, you must be an ACMA/ACA/ACCA ideally with a degree or MBA who has gained relevant experience in a large manufacturing environment, preferably in a process industry. A self starter with a strong personality, you must be able to communicate effectively and demonstrate sound technical skills. Systems appraisal and enhancement, excellent leadership and man management capabilities supported by good presentation skills will be of particular importance for this key position. In summary, a pro-active accountant, with a bias for problem solving and detailed experience of costing systems is required.

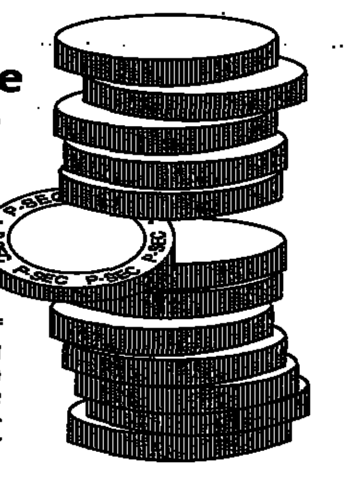
Career prospects are excellent with this highly respected and foward looking international Group.

If you are interested, please telephone Roger Webb FCA or Stuart Adamson FCA on 0532 451212 or send your CV, in confidence, quoting reference number 722, to Adamson & Partners Ltd, 10 Lisbon Square, Leeds LS1 4LY. Fax number 0532 420802.

ADAMSON & PARTNERS LTD.

Executive Search and Selection

Can you help P-SEC plug the private sector gaps?



We need a senior financial manager to develop and lead our executive leasing service to the private sector.

In return for a package of up to £40,000, including company car and pension scheme we'll expect someone with an accountancy qualification who has been a senior manager in the private sector, and who has enthusiasm for new challenges.

The post will initially be based at our Birmingham head office, but our expansion plans will also bring bases in London and Manchester.

Write, with a CV, to Neil Sandiford, P-SEC, Fountain House, Great Cornbow, Halesowen, Birmingham, B63 3BL. Or ring Neil, or Peter Bateman, on 021 585 5701 to discuss the opening.

NOEL ACCOUNTANCY (Agy)

DIVISIONAL MANAGEMENT ACCOUNTANT
c£30,000 + Car

Stand alone role for Fully Qualified within Construction Industry undertaking responsibility for Division with £20m t/o. Encompasses preparation of budgets and forecasts, production of progress reports and analysis of contract performance. Requires strong analytical and communication skills.
TEL: HARROW 081 861 3939

CHIEF ACCOUNTANT
c£29,000 + Car

Progressive European Manufacturers offer opportunity to Accountant with successful track record in all aspects of financial and management accounts. Role requires computer literacy and ability to adopt a 'hands on' approach leading and motivating a professional team.
TEL: AYLESBURY 0296 394554

FINANCIAL ACCOUNTANT
c£26,000 + Car

Rapidly expanding International Chemicals Company seek ACA to assist with ambitious acquisition programme. Acting in an advisory capacity undertaking investigations and developing new systems. Success will be rewarded by progression within the Group. Some travel in UK and abroad.
TEL: LUTON 0582 405010

AMERADA HESS

FINANCIAL PLANNING ANALYST

c.£35,000

OIL INDUSTRY LONDON

Amerada Hess is one of the fastest growing oil and gas exploration and production companies in the UK. In addition to having a wide range of joint venture interests in the North Sea, the company operates 23 exploration blocks, the Ivanhoe, Rob Roy and Hamish fields, and is in the process of developing the Scott field, one of the largest discoveries in recent years.

Accurate financial forecasting is essential to the Company's continuing success and a Financial Analyst is now required within our Finance Department in London. The principal duties will include the preparation and analysis of monthly financial forecasts, the maintenance and development of financial modelling systems and the preparation of accurate management reports.

This will be an interesting and challenging position calling for a qualified accountant with strong analytical skills who can think conceptually and then translate those concepts into effective planning tools. A sound knowledge of computer techniques is essential, as are good communication skills and the ability to work under pressure.

A generous salary package and a wide range of competitive benefits will be offered to the successful applicant.

Please write enclosing a full cv to: Barry Page, Senior Personnel Officer, Amerada Hess Limited, 2 Stephen Street, London W1P 1PL. No agencies.

HESS

FINANCE DIRECTOR

(Designate)

Fast-Moving Consumer Products

Northern England to £40,000, Car & Bonus

This highly successful privately owned food manufacturing company with sales exceeding £70m has established an outstanding reputation for delivery of quality food products to prestigious retail outlets. A major programme of investment, strategic acquisition and reorganisation has resulted in improved operational performance and the organisation now requires a thoroughly commercially orientated Finance Director to assist in directing the company through its next phase of growth. The present incumbent retires shortly.

As a member of a highly interactive team, you will have considerable freedom and autonomy to review financial control and management systems and to implement a far reaching programme of change which will optimise profit and business performance. Your actions will be strategic and operational with vital contributions required to the basic philosophy and overall management of the business.

You must be a well qualified accountant operating at senior management level in an autonomous company with fast moving manufacturing operations. Intellectually able and assertive, you will be business orientated with strong communications skills and a visible leadership style to influence and motivate at all levels throughout the organisation. Future rewards with this expanding organisation are potentially excellent and opportunities for development beyond finance are significant.

Interested candidates should submit a comprehensive career resumé quoting Reference 11090/FT. The confidentiality of all approaches is strictly guaranteed.

Varley Walker & Partners,
182 Portland Road, Newcastle-upon-Tyne, NE2 1DJ.
Tel: 091-221 0101 Fax: 091-221 0842.

Varley~Walker
Human Resource Consultants

Commercial Director Potential

International Business and Operational Reviews

to £30,000 + car + relocation

East Midlands

Our client is a successful and acquisitive international Plc with a turnover in excess of £500m. Focusing on its core business of fresh produce and prepared foods, the group is increasingly directing its acquisition programme towards Europe and the USA. The management is young, dynamic and keen to achieve.

This is a high profile project-orientated role covering pre and post acquisition work, operational reviews and the identification/solving of commercial problems. Your direction will come from the group board and business unit managers worldwide.

Your potential and career motivation are more important to the group than your previous experience for this role, as is your commitment to international travel. The group offers full relocation, company car and attractive large company benefits.

CLARK WHITEHILL
Search and Selection

Please reply in confidence to Jeff Adcock, Clark Whitehill Consultants Ltd, 25 New Street Square, London EC4A 3LN Tel: 071-353 1577. Fax 071-583 1720.

GM buses
PEOPLE ON THE MOVE

c.£30,000 +
ATTRACTIVE CAR ALLOWANCE

Financial Controller

Greater Manchester Buses is the leading bus operator in the North West and one of the largest in the UK, carrying over 5 million passengers per week on its fleet of 1800 buses operating from 13 depots across the region. The company has a turnover in excess of £110m and employs over 5,500 people.

Following internal re-organisation a new opportunity has been created for an ambitious Financial Controller with a strong commercial edge.

As Financial Controller you will:—
* Be responsible for the management of central finance/treasury activities.
* Provide a full management accounting service including review of financial policies and procedures throughout the Company.
* Be expected to contribute, through a team of area based Finance Managers to maximising operational performance at Depot level.

A Qualified Accountant, with at least five years experience in a commercial/industrial environment, you would be expected to have strong analytical and communication skills and a good working knowledge of integrated E.D.P. financial systems.

Please send full personal and career details, including current remuneration level and daytime telephone number, in confidence to Peter Evans, Coopers & Lybrand Deloitte Executive Resourcing Ltd., Abacus Court, 6 Minshull Street, Manchester M1 3ED, quoting reference E506 on both envelope and letter.

Coopers & Lybrand Deloitte
Executive Resourcing

Appointments Advertising

appears every Wednesday and Thursday, Friday (International Edition)

For further information please call: 071-873 3000

Jennifer Hudson ext 3607

Richard Huggins ext 3460

Stewart Maddock ext 3392

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

PQE

N. LONDON £25,000

Company Accountant

A dynamic Company Accountant is sought to take on the statutory accounts (year-end), monthly management accounts, day-to-day group financial accounts and ad hoc financial duties. You will be working under pressure, producing reports to strict deadlines, motivating staff and running a small accounts team. Ref: 02059

Contact The Manager at 8 The Town, Church Street, Enfield 081-363 1344
Or the PQE Specialist advising on this appointment on 071-489 9997

WEST LONDON £25,000

Group Accountant

Subsidiary of well-established group currently seeks a Group Accountant to assist with reviewing procedures and report back to group management with the results. Also handle the consolidation of group budgets and year-end accounts to strict deadlines. Some supervision and broad range of ad hoc assignments also involved. Ref: 2735B5

Contact The Manager at 380 Chiswick High Road W4 081-995 3601
Or the PQE Specialist advising on this appointment on 071-489 9997

CHESSINGTON £25,000

Management Accountant

Young, ambitious Management Accountant sought to take charge of the accounts, group financial reporting, cash flow, budgeting/forecasting, statutory accounts, tax and VAT. Will be using spreadsheets. Some experience of project accounting would be an advantage. Good prospects exist within the group. Comprehensive package. Ref: 94546

Contact The Manager at 70 Clarence Street, Kingston 081-547 3505
Or the PQE Specialist advising on this appointment on 071-489 9997

N. SURREY c£27,000+car

Chief Accountant

Specialist supplier of consumer goods (£4m t/o) seeks a dynamic ACA/ACCA/ACMA to take control of its Accounts/Computer Department. Reporting to the MD, your main duties will be preparation of group returns, cash flow managment, annual budgets, staff supervision and statutory accounts. Directorship prospects available for right individual. Ref: 22304A5

Contact The Manager at 26 Commercial Way, Woking 0483 771445
Or the PQE Specialist advising on this appointment on 071-489 9997

HANTS c£33,000 + car

Financial Controller

Premier league computer manufacturer (c £100m t/o) requires an FD Designate for a challenging pro-active position that heads up a young, dynamic team. Aside from having responsibility for US reporting, effective people management and business development, you will be fully utilising your excellent communication skills to achieve positive results. Ref: 8635A2

Contact The Manager at 35 Church Street, Basingstoke 0256 460399
Or the PQE Specialist advising on this appointment on 071-489 9997

SURREY c£32,000 + car

Financial Controller

Group accounting role that offers directorship prospects within this expanding £10m t/o organisation. Features staff management, production of monthly accounts, analysis of new business developments and integration of computerised systems in a professional environment providing career development to a commercially astute ACA/ACCA/ACMA. Ref: 29304B2

Contact The Manager at 76 High Street, Guildford 0483 69151
Or the PQE Specialist advising on this appointment on 071-489 9997

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When you entrust your vacancies to us,
we pay for the advertising.
Phone our PQE Specialists on 071-489 9997
(24 hour answering service)

REED... accountancy

FINANCE DIRECTOR

Contribute to strategy in a world-class operation.

EDINBURGH
from £50,000

With a turnover last year of £1.9 billion and profits of £542 million, United Distillers is a world-leading spirits company and one of Britain's largest exporters. The product range includes famous brands such as Bell's and Johnnie Walker Black Label Scotch whiskies, Cardhu and the Classic Malts, Gordon's Gin and Pimm's.

United Distillers, Operations Division, employs over 5,000 people in 60 sites across Scotland, engaged in malting, distilling, packaging, R&D and exporting. Reporting to the Operations Director, you will be responsible for the entire finance function and will also make a real contribution to strategic planning as part of the top management team.

You will become involved in a challenging major change programme designed to maintain our competitive edge through manufacturing excellence and total quality in all aspects of the business. This will call for a strong versatile intellect and a firm grasp of the whole range of business issues and how they inter-relate.

Clearly, you will be in a senior financial position at present. It could be in any industry, but you will almost certainly be actively participating in a dynamic, change-orientated environment.

Salary is negotiable but will not be less than £50,000 per annum. There is also a full range of benefits including quality car, pension, medical care, share options and profit share schemes.

To apply, please send full career details including current salary, quoting ref FD/FT, to Roger Dobson, Personnel Director - Operations, United Distillers, Distillers House, 33 Ellersly Road, Edinburgh EH12 6JW.

UNITED DISTILLERS
The Spirits Company of Guinness PLC

The University of Manchester
Finance Department - Industrial Liaison Service
RESEARCH DEVELOPMENT OFFICER

Applications are invited from suitably experienced graduates and/or persons holding an appropriate professional qualification for this post. The successful applicant will report to the Director of Finance through the Deputy Bursar with responsibility for this area of activity working in close liaison with the Vice-Chancellor's Advisers on Research Development and Exploitation. The principal duties are to market the University's research and training skills to customers in industry, commerce and government, to help academic staff with marketing ideas and to act as a focal point for enquiries about the research expertise and facilities of the University.

Relevant previous experience in marketing and a reasonable understanding of research and its role in a university and in a commercial context are essential requirements. The postholder will contribute to the process of broadening the base of research funding and to increasing income through the commercial exploitation of the University's academic expertise.

Salary within the range £20,784 - £24,285 pa (pay award pending). The postholder will be offered a three year contract initially but with the prospect of rolling it forward depending on good performance.

Particulars and application forms (returnable by 25th May) from the Registrar, University of Manchester, Manchester. M13 9PL (Tel: 061 275 2028) quote ref: 105/90/.

The University is an Equal Opportunity employer

MANAGEMENT ACCOUNTANT

We are a well known Soho-based Commercials Production Company looking for a dynamic person to run our small, but busy Accounts Department.

Applicants should have good technical skills and have experience of computerised Accounting systems including spreadsheets.

Experience of the film industry would be helpful but not essential.

Salary circa £25,000 according to qualification and experience.

Please apply in writing to Box A818, Financial Times, One Southwark Bridge, London SE1 9HL.

PANNELL KERR FORSTER
CHARTERED ACCOUNTANTS

BUSINESS TAX ASSISTANT MANAGER

COLCHESTER **to £25,000+BENEFITS**

In this role, your brief will be to meet the challenges of assisting the senior manager in the implementation and development of their business tax department. With your expertise and above average contribution, promotion to manager is envisaged in the short term. Qualification is not essential. This is an unrivalled position where you will be responsible for liaising and advising a range of clients, including partnerships and growing and family businesses.

For further information contact: Accountancy Personnel, 1 Church Street, Colchester CO1 1NF Tel: 0206 766621

The Boots Company PLC

TAXATION ACCOUNTANT

NOTTINGHAM **to £30,000+CAR**

The Boots Company PLC is one of the major UK companies. The Group's recently expanded retailing activities are well known and the UK property portfolio is substantial. A significant proportion of profit, however, comes from the manufacture and marketing, worldwide, of consumer goods, ethical and OTC pharmaceuticals. There are operating subsidiaries in some 20 countries.

The Group taxation function based at the Head Office in Nottingham is responsible for all aspects of taxation throughout the Group, mainly in the UK but with an overseas involvement. The Taxation Accountant reports directly to the Group Taxation Manager and is his deputy.

Candidates should be ACA or ACCA qualified with at least 3 years post qualification corporate tax experience in either a corporate environment or the profession. Candidates who do not already possess the ATII qualification will be given assistance to obtain it.

The terms of appointment will be attractive and include company car, contributory pension, profit sharing, and generous help with relocation to Nottingham, if necessary.

For further information contact: Accountancy Personnel, 1st Floor Prudential Building Maid Marian Way Nottingham NG1 6AZ Tel: 0602 484850

CHIEF ACCOUNTANT

WOKING **£EXCELLENT+CAR**

Our Client, a progressive International distribution company, seeks a commercially experienced Accountant to take responsibility for timely preparation of monthly financial reports, maintenance of a computerised ledger system and supervision of 3 accounts staff.

Your linguistic and communication skills allied to your commercial accounting experience could secure you a position as Chief Accountant.

Ability to speak French will be an advantage in gaining a major career advance for a newly/recently Qualified Accountant.

For further details of this varied well rewarding role (including fully funded car) please quote reference C1.

For further information contact. Accountancy Personnel 2nd Floor Peady Assurance House High Street, Woking, Surrey GU21 1XJ Tel 0483-757774

Accountancy Personnel
You don't just count you matter
Hays
A HAYS PERSONNEL SERVICES LIMITED COMPANY

MACARTHY PLC

FINANCIAL CONTROLLER

£25,000 + Car **Avonmouth**

An integral part of Macarthy plc, Nature's Store Ltd is a major wholesaler of health food and health care products to the independent health food trade

Backed by the resources of one of Britain's largest health care groups, they supply more than 800 independent stores throughout the UK and have built their reputation on quality and service.

Future success depends upon high levels of customer service coupled with strong financial controls and that's where you come in. We're looking for a commercially minded Financial Controller to play a positive role in the future development of this business.

Working closely with the Director and General Manager, the "hands on" nature of this position will necessitate a thorough involvement in all aspects of the business, together with the development and application of strict financial controls.

You will be a self starter with a positive attitude, have had experience in a distribution or retail environment and preferably worked at an operational level within the disciplines of a large Group of Companies.

In return you will receive a competitive salary and a wide range of company benefits including a company car and relocation expenses where appropriate.

Please write (in strictest confidence) enclosing full career details to date to: Roger N. Edwards, Divisional Personnel Director, Macarthy plc, 3 Brunel Court, Cornerhall Office Village, Hemel Hempstead, Herts HP3 9XX.

TOTAL QUALITY MANAGERS

UK WIDE LOCATIONS **£27-32,000 + CAR**

Within a major PLC whose vertically integrated activities encompass manufacturing, marketing, sales and distribution, T.Q.M. is recognised as a pre-requisite for success in the global marketplace.

Currently they are recruiting potential senior executives for the 1990s and beyond. Among them, financial managers will play a crucial role in developing cost/quality awareness throughout the group.

Qualified accountants, in the age range of 26-32, who can demonstrate a successful career encompassing financial, project or systems management within substantial organisations, are therefore of particular interest to our client. Candidates must, however, possess the ability to rapidly comprehend a complex mix of industrial and commercial activities and to communicate effectively with all levels of management.

For further information in the strictest confidence, please contact Mike Masterson.

H·M·A RECRUITMENT

H.M.A. Recruitment,
Kennet House, 40 Rosebery Avenue, London EC1R 4RN.
Tel: 071 837 3456 Fax: 071 837 5466

Taxation Executive

With projects in 50 countries CDC is to the forefront of British overseas development, providing expert management and support services to its extensive range of projects. A vital component in our success is the small highly professional Tax Department, and to enhance the team we are seeking a TAXATION EXECUTIVE.

Reporting to the Assistant Head of Taxation you will become involved in the preparation of overseas tax computations and extensive double tax relief claims as well as assisting in ad-hoc project work. After an introductory period you will assume responsibility for obtaining agreement of CDC's tax liabilities in specified countries.

To succeed you should be a qualified accountant and/or ATII with solid UK tax experience (including taxation of expatriates). Experience of spreadsheet modelling would be an advantage, although full training will be provided where required.

In exchange for your expertise we offer a competitive salary and an excellent benefits package. We operate a non-smoking policy.

CDC is an equal opportunities employer.

Please ring for application form or send your CV to:

CDC
Commonwealth Development Corporation

Mrs Valerie Latham
Personnel Executive
CDC
One Bessborough Gardens
London SW1V 2JQ.
Tel: 071-828 4488.

CAREER CHOICE

The Financial Times proposes to publish a Survey on the above on

17th October 1990

For a full editorial synopsis and advertisement details, please contact:

Nicholas Baker

on 071-873 3351
or write to him at:

Number One, Southwark Bridge
London SE1 9HL.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER